

SUBSIDIARIES AUDITED FINANCIAL STATEMENT FY 2019-20

Sr. No.	Name of the company
1.	Mahindra World City Developers Limited
2.	Mahindra World City (Jaipur) Limited
3.	Mahindra Integrated Township Limited
4.	Mahindra Residential Developers Limited
5.	Mahindra Industrial Park Chennai Limited
6.	Mahindra Homes Private Limited
7.	Mahindra Happinest Developers Limited
8.	Mahindra Bloomdale Developers Limited
9.	Mahindra Infrastructure Developers Limited
10.	Mahindra World City (Maharashtra) Limited
11.	Knowledge Township Limited
12.	Industrial Township (Maharashtra) Limited
13.	Anthurium Developers Limited
14.	Mahindra Industrial Park Private Limited
15.	Deep Mangal Developers Private Limited
16.	Mahindra Water Utilities Limited
17.	Mooshine Construction Private Limited
18.	Mahindra Knowledge Park Mohali Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of

MAHINDRA WORLD CITY DEVELOPERS LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Mahindra World City Developers Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and 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 notes to the financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Ind AS financial statements.

Emphasis of Matter

Without qualifying our opinion, attention is invited to Note 28 to the Ind AS financial statements on the disputed income tax cases under litigation. The management, taking into consideration the merits of the case and supporting judgements and the Special Leave petition filed with the Hon'ble Supreme Court which has been accepted, is of the view that no provision is presently considered necessary in respect of the unfavourable order passed by the Hon'ble High Court of Madras, dismissing the appeal filed by the Company on certain Income Tax Disputes relating to earlier years. Our opinion is not qualified in respect of this matter.

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

The Company's management and Board of Directors are responsible for the other information. The other information at the date of this Auditor's Report comprises the information included in the Director's Report including annexures, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other 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 of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on Auditing specified under Section 143 (10) of the Act 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 Ind AS 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 ("CARO 2016"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure-B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the Directors as on 31 March 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 Rule 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 Ind AS financial statements. (Refer Note 28 to the Ind AS financial statements).
 - ii. The Company did not have any long-term contracts which has any material foreseeable losses. The Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
Membership No. 204764
UDIN : 20204764AAAAZ9231

Place: Chennai
Date: 22 April 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Mahindra World City Developers Limited** (“the Company”) as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls over Financial Reporting

The Board of Directors of the Company 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Ind AS 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 the Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS 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, to the best of our information and according to the explanations given to us, 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 31 March 2020, based on the criteria for internal financial control over financial reporting 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 **B. K. Khare & Co.**
Chartered Accountants
(Firm’s Registration No. 105102W)

P. Shankar Raman
Partner

Place: Chennai
Date: 22 April 2020

Membership No. 204764
UDIN : 20204764AAAAZ9231

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i. In respect of its fixed assets (Property, Plant and Equipment (PPE)):
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE.
 - b) Most of the PPE were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all PPE at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) With respect to immovable properties of land that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the original title deeds/Land Delivery Receipts (LDR’s) issued by Government provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- ii. In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds are done at reasonable intervals and no material discrepancies were noticed on 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 Act and hence reporting under clause (iii) of CARO 2016 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted any loans nor provided any guarantees and securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year. There were no unclaimed deposits outstanding at any time during the year.
- vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and 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. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Goods and Services Tax (“GST”), Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, GST, Cess and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
 - c) The details of dues of Income Tax and Service Tax which has not been deposited as on 31st March 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	Amount Unpaid (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	Honourable Supreme court of India	AY 2011-12	171.45
Finance Act, 1994	Service Tax	CESTAT	2008-2017	365.82

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government and has not issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, the term loan has been applied by the Company during the year for the purpose for which they are obtained other than temporary deployment pending application. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such cases by the Management.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not paid/provided managerial remuneration covered under the provisions of Section 197 read with Schedule V to the Act and accordingly reporting under clause (xi) of CARO 2016 is not applicable.

- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of CARO 2016 is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are 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.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
Membership No. 204764
UDIN : 20204764AAAAAZ9231

Place: Chennai
Date: 22 April 2020

BALANCE SHEET AS AT 31 MARCH, 2020

Particulars	Note No.	(Amounts in INR Lakhs)	
		As at 31 March, 2020	As at 31 March, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	3,227.75	3,599.36
(b) Capital Work in Progress	3	27.00	-
(c) Intangible assets	3	-	-
(d) Financial Assets			
(i) Investments			
(a) Investments in Associate	4	1,300.00	1,300.00
(b) Investments in Joint Venture	4	10,200.00	10,200.00
(ii) Other Financial Assets	5	4.53	4.03
(e) Other Non-current Assets	6	2,205.58	1,856.74
		<u>16,964.86</u>	<u>16,960.13</u>
Current assets			
(a) Inventories	7	27,599.37	27,008.35
(b) Financial assets			
(i) Trade Receivables	8	564.86	1,650.97
(ii) Cash and Cash Equivalents	9	171.32	110.28
(iii) Other Financial Assets	5	34.24	84.23
(c) Other Current Assets	6	3,379.52	3,391.74
		<u>31,749.31</u>	<u>32,245.57</u>
Total Assets		<u>48,714.17</u>	<u>49,205.70</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	2,000.00	2,000.00
(b) Other Equity	11	12,057.44	13,160.31
Total Equity		<u>14,057.44</u>	<u>15,160.31</u>
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12A	24,237.16	20,327.33
(ii) Other Financial Liabilities	13	1.42	1.09
(b) Other Liabilities	14	1,399.18	1,408.67
(c) Deferred Tax Liabilities (Net)	15	1,763.65	2,218.73
(d) Provisions	16	28.23	35.66
Total Non-current liabilities		<u>27,429.64</u>	<u>23,991.48</u>
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12B	5,816.97	8,520.09
(ii) Trade Payable			
total outstanding dues of micro enterprises and small enterprises	17	75.58	48.23
total outstanding dues of creditors other than micro enterprises and small enterprises	17	754.46	1,027.77
(iii) Other Financial Liabilities	13	40.98	28.72
(b) Other Current Liabilities	14	507.47	422.40
(c) Provisions	16	31.63	6.70
Total Current Liabilities		<u>7,227.09</u>	<u>10,053.91</u>
Total Liabilities		<u>34,656.73</u>	<u>34,045.39</u>
Total Equity and Liabilities		<u>48,714.17</u>	<u>49,205.70</u>
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 39 are an integral part of the financial statements.

In terms of our Report of even date
For **B.K. Khare & Co.**
Chartered Accountants

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
Chairman
(DIN:00010029)

Sangeeta Prasad
Director
(DIN: 02791944)

Place: Chennai
Date: 22nd April 2020

Vimal Agarwal
Business Head (CEO)

Bharathy K
Chief Financial Officer

A Muthukumaran
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	Note No.	(Amounts in INR Lakhs)	
		For the year ended 31 March, 2020	For the year ended 31 March, 2019
Income			
I. Revenue from operations.....	18	4,219.23	13,306.68
II. Other income.....	19	139.12	269.56
III. Total income (I + II)		4,358.35	13,576.24
Expenses			
(a) Cost of Projects			
Cost of Projects.....	20	571.23	5,317.92
Operation & Maintenance Expenses.....	21	1,743.55	1,663.06
(b) Employee Benefits Expense	22	411.27	322.29
(c) Depreciation/Amortisation Expense.....	3	382.87	383.35
(d) Finance Costs.....	23	1,848.23	2,125.63
(e) Other expenses	24	702.81	1,031.05
IV. Total Expenses		5,659.96	10,843.30
V. (Loss)/Profit before tax (III) - (IV).....		(1,301.61)	2,732.94
Tax expenses			
Current tax	15	–	1,060.00
Deferred tax	15	(471.27)	(240.51)
Income tax relating to earlier years(net).....		27.12	279.00
VI. Total tax expense		(444.15)	1,098.49
VII. (Loss)/ Profit for the year (V - VI)		(857.46)	1,634.45
Other Comprehensive (Loss) / Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans.....		(6.06)	2.19
(b) Income tax relating to Items that will not be reclassified to profit or loss...		(1.76)	0.64
VIII. Other Comprehensive (loss)/Income for the year		(4.30)	1.55
Total Comprehensive (Loss)/Income for the year (VII + VIII)		(861.76)	1,636.00
Earnings per equity share (face value of Rs. 10/- each)	27		
Basic & Diluted earnings per share (Rs.).....		(4.29)	8.17
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 39 are an integral part of the financial statements.

In terms of our Report of even date
For **B.K. Khare & Co.**
Chartered Accountants

Place: Chennai
Date: 22nd April 2020

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
Chairman
(DIN:00010029)

Vimal Agarwal
Business Head (CEO)

Sangeeta Prasad
Director
(DIN: 02791944)

Bharathy K
Chief Financial Officer

A Muthukumaran
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Cash flow from operating activities		
(Loss)/Profit before tax for the year.....	(1,307.67)	2,732.94
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense.....	382.87	383.35
Profit on sale of plant, property and equipment.....	–	(8.26)
Finance Costs.....	1,848.23	2,125.63
Interest Income.....	(1.16)	(1.03)
Dividend Income	–	(149.50)
Operating Profit before working capital changes	922.27	5,083.13
Working Capital changes:		
Decrease in Inventories.....	532.66	5,266.32
Decrease/(Increase) in Trade Receivables.....	1,086.11	(1,221.94)
Decrease in Financial Assets.....	49.99	8.82
(Increase)/Decrease in Other Assets.....	(24.93)	55.67
(Decrease)/Increase in Trade payables.....	(245.99)	146.22
Increase/(Decrease) in Financial Liabilities	12.59	(111.74)
Increase in Other Liabilities.....	75.58	246.50
Increase in Provisions	17.50	19.25
Cash generated from operations.....	2,425.78	9,492.23
Direct taxes paid (net of refunds).....	(320.85)	(495.07)
Net cash generated by operating activities (A).....	2,104.93	8,997.16
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE).....	(38.25)	(237.20)
Proceeds from sale of PPE.....	–	8.26
Increase in Bank Deposits not considered Cash and Cash Equivalents	(0.50)	(4.03)
Interest received		
Related parties	–	–
Others	1.16	1.03
Dividend Received.....	–	149.50
Net cash used in investing activities (B).....	(37.59)	(82.44)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020 (Cont'd)

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Cash flows from Financing activities		
Proceeds of short term borrowings from related party	2,000.00	200.00
Repayment of short term borrowings from related party	–	(200.00)
Dividend paid	(200.00)	–
Dividend distribution tax paid	(41.11)	–
Proceeds from long term borrowings	5,400.00	27,100.00
Repayment of long term borrowings.....	(1,532.37)	(32,663.28)
Interest Paid.....	(2,929.70)	(3,300.70)
Net cash generated from/(used in) Financing activities (C)	2,696.82	(8,863.98)
Net increase in cash and cash equivalents (A + B + C)	4,764.16	50.74
Cash and cash equivalents at the beginning of the year	(8,409.81)	(8,460.55)
Cash and cash equivalents at the end of the year (Refer Note 9).....	(3,645.65)	(8,409.81)

Summary of Significant Accounting Policies

2

The accompanying notes 1 to 39 are an integral part of the financial statements.

Change in Liabilities arising from financing activities

Particulars	As at 01 st April, 2019	Cash Flow	Other Adjustments	As at 31 st March, 2020
Non Current Borrowings (Refer Note 12A)	20,327.33	3,867.63	42.20	24,237.16
Current Borrowings (Refer Note 12B)	–	2,000.00	–	2,000.00
Total	20,327.33	7,525.43	42.20	27,894.96

The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

The accompanying notes 1 to 39 are an integral part of the financial statements.

In terms of our Report of even date
For **B.K. Khare & Co.**
Chartered Accountants

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
Chairman
(DIN:00010029)

Sangeeta Prasad
Director
(DIN: 02791944)

Place: Chennai
Date: 22nd April 2020

Vimal Agarwal
Business Head (CEO)

Bharathy K
Chief Financial Officer

A Muthukumaran
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

A. Equity Share Capital

Particulars	No. of Shares	Amount in Lakhs
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April 2018	2,00,00,000	2,000.00
Changes in share capital	—	—
As At 31 March 2019	2,00,00,000	2,000.00
Changes in share capital	—	—
As At 31 March 2020	2,00,00,000	2,000.00

B. Other Equity

(Amounts in INR Lakhs)

Particulars	Other Equity			Total
	General Reserve (Note 11)	Capital Redemption Reserve (Note 11)	Retained earnings (Note 11)	
As at 1 April 2018	345.00	6,500.00	4,679.31	11,524.31
Profit for the year	—	—	1,634.45	1,634.45
Other Comprehensive Income*	—	—	1.55	1.55
As at 31 March 2019	345.00	6,500.00	6,315.31	13,160.31
Loss for the year	—	—	(857.46)	(857.46)
Other Comprehensive (Loss)*	—	—	(4.30)	(4.30)
Dividend Payout including DDT	—	—	(241.11)	(241.11)
As at 31 March 2020	345.00	6,500.00	5,212.44	12,057.44

* Remeasurement gains/(losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings

The accompanying notes 1 to 39 are an integral part of the financial statements.

In terms of our Report of even date
For **B.K. Khare & Co.**
Chartered Accountants

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
Chairman
(DIN:00010029)

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Director
(DIN: 02791944)

Place: Chennai
Date: 22nd April 2020

Vimal Agarwal
Business Head (CEO)

Bharathy K
Chief Financial Officer

A Muthukumaran
Company Secretary

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

1. General Information

Mahindra World City Developers Limited ("the Company") was incorporated on February 19, 1997. The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees. The Company has developed and operates an integrated business city "Mahindra World City" at Chengalpattu taluk near Chennai.

Promoted in a Public Private Partnership by the Mahindra Group and Tamilnadu Industrial Development Corporation Limited (A Government of Tamil Nadu Undertaking), Mahindra World City surpasses the conventional definition of a business space - it is a business eco-system, carefully linked and integrated to function with efficiency. Mahindra World City, Chennai is India's first integrated City and Corporate India's first operational SEZ.

Etching its name on India's business map, Mahindra World City Chennai, has attracted corporate giants such as BMW, B.Braun, Capgemini, Holiday Inn Express, Infosys, BASF, Lincoln Electric, Parker Hannifin, Renault-Nissan, Tesa SE, Federal Mogul, Fujitec, NTN Corporation, Timken, TVS Group of Companies and Wipro among others.

The Registered office of the company is located at Ground Floor, Mahindra Towers, 17/18, Patulous Road, Chennai, Tamil Nadu -600 002.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in their meeting held on April 22, 2020.

2.2 Basis of Measurement

2.2.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2.2 Exemption from preparation of consolidated financial statements

The Company has investments in an Associate and a Joint venture. The Holding company, Mahindra Lifespaces Developers Limited, having its registered office at 5th floor, Mahindra Towers, Worli, Mumbai 400 018 are presenting the consolidated financial statements. The Company has therefore availed the exemption under paragraph 4(a) of Ind AS 110 having satisfied the conditions for exemption from preparing consolidated financial statements as per Companies (Accounts) Amendments Rules, 2016 and thereby does not present consolidated financial statements.

Consequently, the accounting policies mentioned herein relate to the standalone financial statements of the Company.

2.2.3 Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into

account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2.2.4 Current versus non-current classification

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

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 1 year for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

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

The Company classifies all other liabilities as non-current.

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

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

2.3.2 *Sale of land*

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts/agreements.

2.3.3 *Project Management fee*

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/ agreement. Where the fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis. .

2.3.4 *Income from Operation & Maintenance (O&M)*

Income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.3.5 *Dividend and interest income*

Dividend income from investments from Joint ventures and Associates is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 *Leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.4.1 *The Company as a Lessor*

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.4.2 *The Company as a Lessee*

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The assets given by the Company on operating leases are capitalised in the books as fixed assets. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.5 *Taxation*

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.5.1 *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.5.2 *Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.5.3 *Current and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.6 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

2.7 *Property, plant and equipment*

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture & Fixtures and Office equipment's are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.8 *Impairment of tangible and intangible asset other than Goodwill*

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 *Inventories*

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where

considered necessary. Work in progress includes cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.10 *Cash and cash equivalents (for purposes of Cash Flow Statement)*

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.12 *Provisions, contingent liabilities and contingent assets*

2.12.1 *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.12.2 *Onerous contracts*

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12.3 *Contingent liabilities*

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

2.12.4 *Contingent assets*

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.13 *Financial instruments*

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.14 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain/loss arising out of such translation is adjusted to the profit and loss account.

2.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for Financial assets at fair value through other comprehensive income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

The Management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, trade payables, book overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- 2.15.2 The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a

current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

2.15.3 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at financial assets at fair value through profit or loss ("FVTPL"). Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.15.4 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.15.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

In addition the Company has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled revenue and other financial assets is adequate.

2.15.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers

the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.15.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.16.1.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16.1.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the

Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.18 Earnings per Share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.19 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.20 Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

2.21 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2.1 to 2.20, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global 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 including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount

of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Since December 2019, COVID - 19, a new strain of Coronavirus, has spread globally, including India. This event significantly affects economic activity worldwide and, as a result, could effect the operations and results of the Company. The impact of the Coronavirus on our business will depend on future developments that cannot be reliably predicted, including action to contain or treat the disease and multiple its impact on the economies of the affected carrier among others.

The impact of the global health pandemic, might be different from the estimated is as the date of approval of these financial results and the Company will closely monitor any material changes to future economic conditions.

3. Property, Plant and Equipment

(Amounts in INR Lakhs)

Description of Assets	Land - Freehold	Buildings - (Own use)	Plant and Equipments	Office equipments	Furniture and fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at 1 April, 2018	195.05	2,474.70	2,491.96	125.01	502.29	52.20	54.44	5,895.65
Additions	—	272.08	2.75	12.85	29.69	—	4.01	321.38
Disposals	—	—	—	—	—	(38.17)	—	(38.17)
Balance as at 31 March, 2019	195.05	2,746.78	2,494.71	137.86	531.98	14.03	58.45	6,178.86
II. Accumulated depreciation								
Balance as at 1 April, 2018	—	619.06	1,256.77	80.71	186.12	51.67	39.99	2,234.32
Depreciation expense for the year	—	98.32	195.97	20.99	59.99	0.53	7.55	383.35
Eliminated on disposal of assets	—	—	—	—	—	(38.17)	—	(38.17)
Balance as at 31 March, 2019	—	717.38	1,452.74	101.70	246.11	14.03	47.54	2,579.50
III. Net carrying amount (I-II)								
Balance as at 31 March, 2019	195.05	2,029.40	1,041.97	36.16	285.87	—	10.91	3,599.36
Balance as at 31 March, 2018	195.05	1,855.64	1,235.19	44.30	316.17	0.53	14.45	3,661.33
I. Gross Carrying Amount								
Balance as at 1 April, 2019	195.05	2,746.78	2,494.71	137.86	531.98	14.03	58.45	6,178.86
Additions	—	—	—	10.80	—	—	0.45	11.25
Disposals	—	—	—	—	—	—	—	—
Balance as at 31 March, 2020	195.05	2,746.78	2,494.71	148.66	531.98	14.03	58.90	6,190.11
II. Accumulated depreciation								
Balance as at 1 April, 2019	—	717.38	1,452.74	101.70	246.11	14.03	47.54	2,579.50
Depreciation expense for the year	—	102.63	190.64	20.99	62.88	—	5.72	382.86
Eliminated on disposal of assets	—	—	—	—	—	—	—	—
Balance as at 31 March, 2020	—	820.01	1,643.38	122.69	308.99	14.03	53.26	2,962.36
III. Net carrying amount (I-II)								
Balance as at 31 March, 2020	195.05	1,926.77	851.33	25.97	222.99	—	5.64	3,227.75
Balance as at 31 March, 2019	195.05	2,029.40	1,041.97	36.16	285.87	—	10.91	3,599.36

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Intangible Assets

(Amounts in INR Lakhs)

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at 1 April, 2018	59.16	59.16
Additions	–	–
Disposals	–	–
Balance as at 31 March, 2019	59.16	59.16
II. Accumulated amortisation		
Balance as at 1 April, 2018	59.16	59.16
Amortisation expense for the year	–	–
Eliminated on disposal of assets	–	–
Balance as at 31 March, 2019	59.16	59.16
III. Net carrying amount (I-II)		
Balance as at 31 March, 2019	–	–
Balance as at 31 March, 2018	–	–

(Amounts in INR Lakhs)

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at 1 April, 2019	59.16	59.16
Additions	–	–
Disposals	–	–
Balance as at 31 March, 2020	59.16	59.16
II. Accumulated amortisation		
Balance as at 1 April, 2019	59.16	59.16
Amortisation expense for the year	–	–
Eliminated on disposal of assets	–	–
Balance as at 31 March, 2020	59.16	59.16

5. Other Financial assets

Particulars

Advances, Considered good

Advances for purchase of land - unsecured.....

Unsecured, considered good unless stated otherwise

Fixed deposits under lien

Recoverable Expense*

Total Other assets.....

*31st March-19: Recoverable Expense represents excess interest on Overdraft charged and acknowledged by HDFC Bank Limited.

6. Other Assets

Particulars

Advances

Advances to employees

Advances for purchase of land - secured***

Advances to suppliers considered good

(Amounts in INR Lakhs)

Description of Assets	Computer Software	Total
III. Net carrying amount (I-II)		
As At 31 March, 2020	–	–
As At 31 March, 2019	–	–

Refer note 2 for Company's policy on recognition and measurement of Property Plant, Equipment, Intangible and Depreciation/amortisation methods used.

Movement of Capital Work in Progress

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	–	99.69
Additions	27.00	214.13
Subtotal	27.00	313.82
Capitalised during the year	–	(313.82)
Closing Balance	27.00	–

4. Investments

Particulars	As at 31 March, 2020	As at 31 March, 2019
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Cost

Unquoted Investments (all fully paid)

Investments in Associate

Mahindra Integrated Township Limited

1,30,00,000 Shares @ INR 10 Per Share

Investments in Joint Venture

Mahindra Industrial Park chennai Limited

10,20,00,000 Shares @ INR 10 Per Share

Total Unquoted Investments at Cost.....

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Non-current	Current	Non-current	Current
Advances, Considered good				
Advances for purchase of land - unsecured.....	–	34.05	–	34.05
Unsecured, considered good unless stated otherwise				
Fixed deposits under lien	4.53	–	4.03	–
Recoverable Expense*	–	0.19	–	50.18
Total Other assets	4.53	34.24	4.03	84.23

*31st March-19: Recoverable Expense represents excess interest on Overdraft charged and acknowledged by HDFC Bank Limited.

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Non-current	Current	Non-current	Current
Advances				
Advances to employees	–	0.16	–	–
Advances for purchase of land - secured***	–	3,347.04	–	3,347.04
Advances to suppliers considered good	–	13.37	–	–
	–	3,360.57	–	3,347.04

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Non-current	Current	Non-current	Current
Others				
Advance income-tax (Net of Provision for Tax FY 2019-20 Rs. 3101.47 lakhs, FY 2018-19 Rs. 4,131.76 lakhs)*	2,112.40	–	1,800.71	–
Security Deposits	60.28	3.50	56.03	3.50
Prepaid Expenses	–	15.45	–	9.85
Balances with statutory/government authorities (Other than Income tax)**	32.90	–	–	31.35
	2,205.58	18.95	1,856.74	44.70
Total Other Assets	2,205.58	3,379.52	1,856.74	3,391.74

* 31-03-2020: Advance income-tax includes payments made under protest Rs. 433.78 Lakhs and Refunds issued by the income tax department and adjusted by department Rs. 692.52 lakhs.

31-03-2019: Advance income-tax includes payments made under protest Rs. 353.16 Lakhs, Refunds issued by the income tax department and adjusted by department Rs. 692.52 lakhs and provision for income tax netted of Rs. Rs.210.26 Lakhs.

** 31-03-2020 and 31-3-2019: Balances with Government authorities includes payment of Rs. 29.79 Lakhs made under protest against service tax demands.

*** Advance for purchase of Land is secured by equitable Mortgage by deposit of title deeds of 39.19 acres of land at Varadarajapuram, Kancheepuram Dist. Tamilnadu.

7. Inventories

Particulars	(Amounts in INR Lakhs)	
	As at 31 March, 2020	As at 31 March, 2019
Work in progress (representing cost of land and related expenditure).....	27,573.70	26,991.17
Inventory	25.67	17.18
Total Inventories	27,599.37	27,008.35

- The Cost of inventories recognised as expenses during the year in respect of continuing operations was INR 571.23 Lakhs (31st March 2019 was INR 5,317.92 Lakhs).
- The Carrying amount of inventories pledged as security for liabilities - Refer note 12 A Non Current Borrowings.
- Mode of Valuation of Inventories is Cost or Net Realisable Value whichever is lower.
- Borrowing costs inventorised relates to interest on borrowings referred in Notes 12A and 12B considered in the ratio of land inventories pending to be developed to the total inventories.
- Based on detailed assessment and evaluation of impact of the COVID-19 epidemic, the management concluded that the realisable value of these inventories will not be lower than the carrying value as stated above.

8. Trade Receivables

Particulars	(Amounts in INR Lakhs)	
	As at 31 March, 2020	As at 31 March, 2019
Trade Receivables:		
Unsecured Considered Good.....	564.86	1,650.97
Receivables with significant credit risk.....	71.25	58.02
Less: Provision for expected credit losses	(71.25)	(58.02)
Total Trade Receivables	564.86	1,650.97

Trade receivables are non-interest bearing and the average credit period on service rendered is as per the terms of the service agreement with clients. Credit period allowed to customers varies between 7 days to 30 days.

Refer Note No.31 for Credit Risk Management on Receivables.

9. Cash and Cash Equivalents

Particulars	(Amounts in INR Lakhs)	
	As at 31 March, 2020	As at 31 March, 2019
Cash and cash equivalents		
Balances with banks:		
– On current accounts.....	171.27	110.15
Cash on hand	0.05	0.13
Total Cash and cash equivalents	171.32	110.28

Reconciliation of Cash and Cash Equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
Total Cash and Cash Equivalents as per Balance Sheet.....	171.32	110.28
Overdraft with Banks (Note 12B)	(3,816.97)	(8,520.09)
Total Cash and Cash Equivalents as per Statement of Cashflow	(3,645.65)	(8,409.81)

10. Equity

Particulars	(Amounts in INR Lakhs)	
	As at 31 March, 2020	As at 31 March, 2019
Authorized shares		
2,50,00,000 Ordinary Equity Shares of Rs.10 each with Voting rights	2,500.00	2,500.00
50,00,000 Unclassified Shares of Rs.10 each with Voting rights.....	500.00	500.00
65,00,000 Cumulative Redeemable preference shares of Rs. 100 each	6,500.00	6,500.00
	9,500.00	9,500.00
Issued, subscribed and fully paid-up shares		
2,00,00,000 Ordinary Equity Shares of Rs.10 each with Voting rights	2,000.00	2,000.00
Total issued, subscribed and fully paid-up share capital	2,000.00	2,000.00

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Changes during the year	Closing Balance
<u>Ordinary Equity Shares</u>			
Year Ended 31 March, 2020			
No. of Shares	2,00,00,000	–	2,00,00,000
Amount.....	2,000.00	–	2,000.00
Year Ended 31 March, 2019			
No. of Shares	2,00,00,000	–	2,00,00,000
Amount.....	2,000.00	–	2,000.00

(a) Terms/ rights attached to equity shares

The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

Repayment of capital will be in proportion to the number of equity shares held.

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March, 2020		As at 31 March, 2019	
	No.	% holding in the class	No.	% holding in the class
Equity shares with voting rights				
– Mahindra Lifespace Developers Limited	1,77,99,999	89%	1,77,99,999	89%
– Tamilnadu Industrial Development Corporation Limited	22,00,000	11%	22,00,000	11%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

11. Other Equity

(Amounts in INR Lakhs)

Particulars	Other Equity			Total
	General Reserve	Capital Redemption Reserve	Retained earnings	
Balance as at 1 April, 2018	345.00	6,500.00	4,679.31	11,524.31
Profit for the year.....	–	–	1,634.45	1,634.45
Other Comprehensive Income	–	–	1.55	1.55
Balance as at 31 March, 2019	345.00	6,500.00	6,315.31	13,160.31
Loss for the year	–	–	(857.46)	(857.46)
Other Comprehensive (Loss)	–	–	(4.30)	(4.30)
Dividend Payout including DDT	–	–	(241.11)	(241.11)
Balance as at 31 March, 2020	345.00	6,500.00	5,212.44	12,057.44

General Reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.

Capital Redemption Reserve: The Capital Redemption Reserve was created against redemption of Preference Shares.

Retained Earnings: This reserve represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

12A. Non current borrowings

Details of Long term Borrowings of the Company:						(Amounts in INR Lakhs)	
Description of the instrument	Currency of Loan	Coupon Rate	Repayment Bullet (or) Instalment	Number of Instalments	Date of earliest Redemption (or) Conversion	Amortised cost as at 31 March, 2020	Amortised cost as at 31 March, 2019
A. Secured Borrowings:							
a) Term Loans							
(i) From Financial Institution							
HDFC Limited - Term Loan	INR	9.10% to 12%	75% of Sales/ lease proceeds and Instalment	12	Aug-21	24,237.16	20,327.33
Total Secured Borrowings.....						24,237.16	20,327.33
Total Non Current Borrowings						24,237.16	20,327.33

Term Loan from Financial Institution - Secured Borrowings

HDFC Term Loan - Sanctioned amount INR 32,500.00 Lakhs From HDFC Ltd carries an interest of HDFC CPLR - 895 points. Principal to be repaid in 8 equal quarterly instalments , commencing from August 2021, after a moratorium of 38 months. Current prevailing rate of interest is 9.95%. Further, It is mandatory to prepay Principal using 75% of Land lease/sale proceeds from the date of availing this term loan.

The Term loans is secured by equitable Mortgage by deposit of title deeds of 60.438 acres of land at Mahindra World City , Chengalpattu with carrying value of INR 2,652 Lakhs and 236.027 acres of land in NH16 near Ponneri/Gummidipundi with a carrying value of INR 19,588 Lakhs.

There are no defaults in case of either interest or principal with respect to payments for the above borrowings.

Terms of Repayment of terms loans are as under

As at 31 March, 2020

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
HDFC Limited Term Loan (Secured).....	24,237.16	Principal to be repaid in 8 equal quarterly instalments, commencing from Aug 2021, after a moratorium of 38 months. Current prevailing rate of interest is 9.95%.	9.95%
Total	24,237.16		

As at 31 March, 2019

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
HDFC Limited Term Loan (Secured).....	20,327.33	Principal to be repaid in 8 equal quarterly instalments, commencing from Aug 2021, after a moratorium of 38 months. Current prevailing rate of interest is 10.40%.	10.40%
Total	20,327.33		

12B. Current borrowings (Amortised cost)

Details of Current Borrowings of the Company:

Description of the instrument	Currency of Loan	Coupon Rate	(Amounts in INR Lakhs)	
			As at 31 March, 2020	As at 31 March, 2019
A. Unsecured Borrowings at amortised cost:				
HDFC Bank Limited - Overdraft of INR 25 Crores (PY INR 50 Crores)	INR	9.35%	2,159.17	3,706.49
Axis Bank Limited - Overdraft of INR 25 Crores (PY INR 50 Crores)			—	4,813.60
Mahindra Residential Developers Limited - ICD Loan repayable within 1 year	INR	9.50%	2,000.00	—
Total Unsecured Borrowings			4,159.17	8,520.09
B. Secured Borrowings at amortised cost:				
Axis Bank Limited - Overdraft of INR 25 Crores	INR	8.60%	1,657.80	—
Total Secured Borrowings			1,657.80	—
Total Current borrowings			5,816.97	8,520.09

Axis Bank Overdraft is secured during the current financial year:

– by First pari passu charge of current assets of the Company excluding inventories.

– by Second/Residual charge on Lands mortgaged to HDFC Limited for Term loan availed. (Refer note no. 12A)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

13. Other Financial Liabilities at amortised cost

Particulars	As at March 31, 2020		(Amounts in INR Lakhs) As at March 31, 2019	
	Non-current	Current	Non-current	Current
Deposits				
Security deposits received from lessees	1.42	–	1.09	–
	1.42	–	1.09	–
Others				
Payable on purchase of PPE	–	5.00	–	5.00
Earnest money deposit	–	2.80	–	2.80
Rental/Other deposit from customers	–	33.18	–	20.92
	–	40.98	–	28.72
Total Other Financial Liabilities	1.42	40.98	1.09	28.72

14. Other liabilities

Particulars	As at March 31, 2020		(Amounts in INR Lakhs) As at March 31, 2019	
	Non-current	Current	Non-current	Current
Advance from customers	–	392.00	–	67.00
Statutory dues payable	–	23.39	–	248.96
Deferred Income	952.00	88.25	1,025.72	106.44
Unearned Income	447.18	3.83	382.95	–
Total Other Liabilities	1,399.18	507.47	1,408.67	422.40

15. Income Tax

(a) Income Tax recognised in profit or loss

Particulars	(Amounts in INR Lakhs)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Current Tax:		
In respect of current year	–	1,060.00
Deferred Tax	(471.27)	(240.51)
Income tax of earlier years	27.12	279.00
Total income tax (credit)/expense on income from operations	(444.15)	1,098.49

(b) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit or Loss is as follows:

Particulars	(Amounts in INR Lakhs)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Profit before tax	(1,301.61)	2,732.94
Income tax expense calculated at statutory rate***	(379.00)	796.00
Disallowance u/s 14A for expense incurred on investment	33.49	33.49
Dividend income exempt from tax	–	(44.00)
Changes based on return of income filed for the year	(114.41)	279.00
Impact of difference between depreciation as per Income tax act book depreciation ...	41.38	32.12
Non deductible expenses under income tax	15.26	–
Changes in Deferred tax asset/Liability due to Effective rate changes	–	–
Others- Provision for Doubtful debts, Provisions	(40.87)	1.88
	(444.15)	1,098.49
Income tax (credit) / expense recognised in profit or loss	(444.15)	1,098.49

*** The Tax Rate used for 31st March 2020 and 31st March 2019 reconciliations above are the corporate tax rate of 29.12% payable by Corporate Entities in India on taxable profits under Indian Income Tax Act laws.

(c) Movement in deferred tax balances

Particulars	(Amounts in INR Lakhs) For the Year ended 31 March, 2020			
	Opening Balance	For the Year Adjustments	Earlier year Adjustments	Closing Balance
<u>Tax effect of items constituting deferred tax Liabilities</u>				
Property, Plant and Equipment	481.37	(135.50)	–	345.87
Interest Inventorised ..	2,361.92	(56.89)	–	2,305.03
FVTPL Financials Asset & Liabilities	38.88	(22.70)	–	16.18
Total Deferred Tax Liabilities	2,882.17	(215.09)	–	2,667.08
<u>Tax effect of items constituting deferred tax assets</u>				
Section 43B disallowances	12.33	5.09	–	17.42
Business loss	–	179.00	–	179.00
Unabsorbed depreciation loss	–	70.01	–	70.01
Provision for doubtful debts	16.90	3.85	–	20.75
MAT Credit	634.21	–	–	634.21
MAT credit utilised during the year	–	–	–	(17.96)
Total Deferred Tax Asset	663.44	257.95	–	903.43
Net Deferred Tax Liabilities	2,218.73	(473.04)	–	1,763.65

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Particulars	(Amounts in INR Lakhs)			
	Opening Balance	For the year ended 31 March, 2019	Earlier year Adjustments	Closing Balance
<u>Tax effect of items constituting deferred tax Liabilities</u>				
Property, Plant and Equipment.....	475.04	64.06	(57.73)	481.37
Interest Inventorised	1,636.84	(245.75)	970.83	2,361.92
FVTPL Financials Asset & Liabilities..	92.10	(53.22)	—	38.88
Total Deferred Tax Liabilities	2,203.98	(234.91)	913.10	2,882.17
<u>Tax effect of items constituting deferred tax assets</u>				
Section 43B disallowances	23.84	4.95	(16.46)	12.33
Provision for doubtful debts.....	16.90	—	—	16.90
MAT Credit.....	840.00	—	274.15	1,114.15
MAT credit utilised during the year	—	—	—	(479.94)
FVTPL Financials Asset & Liabilities..	272.10	—	(272.10)	—
Total Deferred Tax Asset	1,152.84	4.95	(14.41)	663.44
Net Deferred Tax Liabilities	1,051.14	(239.86)	927.51	2,218.73

16. Provisions

Particulars	(Amounts in INR Lakhs)			
	As at 31 March, 2020		As at 31 March, 2019	
	Non-current	Current	Non-current	Current
Employee Benefits (Refer note 29)				
Gratuity.....	—	28.17	13.36	3.82
Leave Encashment.....	28.23	3.46	22.30	2.88
Total Provisions	28.23	31.63	35.66	6.70

17. Trade Payables

Particulars	(Amounts in INR Lakhs)	
	As at 31 March, 2020	As at 31 March, 2019
Trade payable - Micro and small enterprises* ..	75.58	48.23
Trade payable - Other than micro and small enterprises.....	754.46	1,027.77
	830.04	1,076.00

* (i) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Usually, Credit period with vendors varies from 15 days to 30 days.

(ii) Refer Note 34 for Disclosures on Micro and Small Enterprises.

18. Revenue from Operations

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Land Lease Premium.....	466.70	7,529.70
Sale of land	912.45	2,863.25

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Rental income.....	74.79	82.92
Operation and maintenance income	2,338.96	2,411.69
Club membership fees	68.06	67.79
Club Annual subscription fees.....	60.45	56.24
Club operating income	245.66	223.09
Project Management Fees	52.16	72.00
Total Revenue from operations	4,219.23	13,306.68

19. Other Income

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Other non operating income		
Transfer Fees	4.85	50.21
Dividend Income.....	—	149.50
Liability no longer required written back.....	25.78	—
Profit on sale of PPE.....	—	8.26
Interest on Bank Fixed deposits	1.16	1.03
Miscellaneous Income	107.33	60.56
Total Other Income	139.12	269.56

20. Cost of Projects

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Inventories at the beginning of the year		
Work-in-progress	26,991.17	30,920.74
Add: Expenses Incurred during the year		
Land and Construction Costs.....	30.08	50.60
Interest Cost	1,123.68	1,337.75
Less: Inventories at the end of the year		
Work-in-progress	27,573.70	26,991.17
Total Cost of Projects	571.23	5,317.92

21. Operation & Maintenance Expenses

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Repairs & Maintenance.....	291.65	324.84
Security	266.93	237.39
Electrical & Mechanical Maintenance	462.69	379.36
Housekeeping	177.06	174.11
Power & Fuel.....	214.30	196.66
Landscaping maintenance.....	117.16	110.32
Rates & Taxes.....	67.85	108.07
Bus shuttle	95.47	99.42
Other Expenses.....	50.44	32.89
Total Operation & Maintenance expenses.....	1,743.55	1,663.06

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

22. Employee Benefits expense

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Salaries and wages including bonus*	371.74	288.72
Contributions to provident and other funds	17.78	13.12
Staff welfare expenses	21.75	20.45
Total Employee benefits expense	411.27	322.29

* Includes charge for Equity Stock options recovered by Mahindra Lifespaces Developers Limited amounting to Rs. 4.83 Lakhs (Previous Year Rs. 5.06 Lakhs)

23. Finance Costs

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a) Interest expense on:		
(i) Term loan	2,350.92	2,585.54
(ii) Loan from Related parties	25.02	11.87
(iii) Cash Credit Limited	566.59	861.92
(iv) Other Interest	29.38	4.07
Less: Interest inventorised	(1,123.68)	(1,337.77)
Net Finance Cost	1,848.23	2,125.63

24. Other expenses

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Power and fuel	75.68	81.63
Rent including lease rentals	10.64	10.60
Repairs and maintenance	37.39	62.40
Insurance	13.13	27.19
Rates and taxes	8.42	16.18
Communication	28.85	14.66
Travelling and conveyance	23.00	31.34
Printing and stationery	4.25	5.78
Business promotion	93.00	300.18
Office Maintenance expenses	38.65	45.39
Legal and professional	98.48	158.45
Payments to auditors*	11.60	10.60
Directors sitting fees	1.00	2.00
Director Commission	—	27.00
Donations	—	1.76
Services outsourced	137.38	111.43
Allowances for expected credit losses	13.23	—
Corporate Social Responsibility (CSR) activities (refer Note No 25)	23.01	11.05
Club expenses	83.87	111.63
Miscellaneous expenses	1.23	1.78
Total Other expenses	702.81	1,031.05

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
* Payment to auditor (excluding taxes)		
Statutory Audit	8.50	7.50
Certification and Other Services	3.10	3.10
	11.60	10.60

25. Expense on Corporate Social Responsibility (Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Contribution to Nanhi Kali foundation	11.51	5.53
Support to School for Enhancing Quality of Education	2.04	5.52
Supporting Primary Health Centre	7.74	—
Awareness programmes - Solid waste management & others	1.72	—
	23.01	11.05

26. Segment information

Business segments

The Company operates in only one business segment, i.e. 'lease of land and properties constructed' based on the nature of the services and products, the risks and returns etc. This has been determined in the manner consistent with the internal reporting provided to the Manager regarded as the Chief Operating Decision Maker ("CODM"). The Company operates only in India. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

27. Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	(Amounts in INR Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(Loss)/Profit for the year attributable to owners of the Company	(857.46)	1,634.45
Weighted average number of equity shares (in Nos)	2,00,00,000	2,00,00,000
Earnings per share from continuing operations - Basic and Diluted (in Rs.) (face value of Rs.10/- each)	(4.29)	8.17

28. Contingent liabilities & Capital Commitments

Particulars	(Amounts in INR Lakhs)	
	As at 31 March, 2020	As at 31 March, 2019

Contingent liabilities (to the extent not provided for)

Tax on Borrowing costs disallowed

A. Income Tax Notice received for FY 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14: Tax on borrowing costs inventorised in books but claimed as expenditure under Income Tax and disputed by the department - Rs. 3556.96 lakhs (for the years ended March 31, 2010, March 31, 2011, March 31, 2012, March 31, 2013 and March 31, 2014 is Rs.332.49 Lakhs, Rs. 596.07 Lakhs, Rs. 757.43 Lakhs, 887.48 lakhs and Rs. 983.49 Lakhs respectively). However, even if this liability crystallizes, there would be future tax benefits available on account of timing differences and Impact has been quantified only to the extent of Interest cost and impact arising out of difference in income tax rates.

B. Disallowance of expenditure under section 14A on investments in FY 2010-11, 2012-13 and 2013-14.	76.28	76.28
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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Particulars	(Amounts in INR Lakhs)	
	As at 31 March, 2020	As at 31 March, 2019

Other Matters disputed in the above years

The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals. No reimbursements are expected.

Service tax demands received	493.21	462.99
Total Contingent Liabilities	1,429.99	1,355.88

The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals.

29. Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized Rs. 17.78 Lakhs (PY Rs. 13.12 Lakhs) for Provident fund & Other funds contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 22 Employee benefits expense. The company has funded the gratuity Liability through LIC Scheme. The details of actuarial valuation are given below:

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

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's debt investments.

Longevity risk

The present value of 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 benefit 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.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	(Amounts in INR Lakhs)	
	Gratuity (Funded) 2019-20	2018-19
a. Net Liabilities recognized in the balance sheet		
Net Liabilities recognized in the balance sheet	53.69	41.37
Fair Value of Plan assets.....	25.52	24.19
Liabilities recognised in the balance sheet.....	28.17	17.18
b. Expense recognized in the Statement of Profit and Loss		
Past service cost	—	—
Current Service cost.....	3.66	2.85
Interest cost.....	3.02	2.16
Expected return on plan assets	(1.44)	(2.19)
Actuarial (gains)/Losses	5.75	7.86
Total expenses	10.99	10.68
c. Change in present value of Defined Benefit obligation		
Present Value of the obligation at the beginning of the year	41.37	28.64
Past service cost	—	—
Current Service cost.....	3.66	2.85
Interest Cost	3.02	2.16
Actuarial (Gains) /Losses.....	5.75	7.86
Benefits Paid.....	(0.11)	(0.14)
Present value of the obligation as at the end of the year...	53.69	41.37
d. Change in fair value of plan assets		
Present value of plan assets as the beginning of the year....	24.19	22.14
Expected return on plan assets.....	1.44	2.19
Contributions made.....	—	—
Benefits paid and Charges	(0.11)	(0.14)
Present value of plan assets at the end of the year....	25.52	24.19
e. Principal actuarial assumptions		
Discount Rate	6.47%	7.30%
Expected return on plan assets	6.47%	7.30%
Expected rate of Salary increase.....	10.00%	10.00%
Attrition Rate.....	10.00%	10.00%
Mortality	LIC (2006-08) Ultimate mortality tables	
f. Estimate of amount of contribution in the immediate next year.....	28.17	17.18
g. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.		
h. Basis used to determine expected rate of return - The Gratuity Fund is managed by the Life Insurance Corporation of India and they have not made available the information on major categories of plan assets and the expected rate of return on each class of plan assets.		

i. Experience adjustment as provided by actuary:	(Amounts in INR Lakhs)				
	for the years				
	2019-20	2018-19	2017-18	2016-17	2015-16
Present value of DBO	41.37	28.64	24.02	36.99	35.97
Fair value of plan assets	25.52	24.19	22.14	24.36	31.98
Funded status [Surplus/ (Deficit)]	—	—	—	—	—
Experience gain/(loss) adjustments on plan liabilities	(1.44)	(2.19)	(1.01)	(2.11)	(2.12)
Experience gain/(loss) adjustments on plan assets	(0.32)	0.52	(0.51)	0.72	0.87

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Actuarial assumptions for long-term compensated absences		
Discount rate	6.47%	7.30%
Expected return on plan assets	6.47%	7.30%
Salary escalation	10.00%	10.00%
Attrition	10.00%	10.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Year	Change in Assumption	(Amounts in INR Lakhs)	
			Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount Rate	2020	0.50%	52.18	55.28
	2019	0.50%	40.25	42.56
Salary Growth Rate	2020	0.50%	54.60	52.79
	2019	0.50%	42.06	40.58

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	(Amounts in INR Lakhs)	
	As at 31 March, 2020	As at 31 March, 2019
Year 1	5.01	4.16
Year 2	4.86	4.10
Year 3	19.13	3.88
Year 4	3.31	16.46
Year 5	3.29	2.33
Next 5 Years	23.73	17.76

Plan of Assets

The fair value of Company's pension plan asset as of 31 March, 2020 and 31 March, 2019 by category are as follows:

Asset Category	As at 31 March, 2020	As at 31 March, 2019
Deposits with Insurance companies	100%	100%

30. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the

revision and future periods if the revision affects both current and future periods.

COVID -19 Impact assessment :

The Company assessed its performance and future projections in light of the developments due to COVID 19 situation worldwide and has reassessed the impact that it may cause on the Company's financial and operational performance. The Company may experience delay in getting new prospects and signing of lease deeds which may have an impact on the inflow of funds during the lock down period. There could be delay in inflow of Operations and Maintenance income. The company's operations of Club room renting and other services provided in the club has been suspended post COVID -10 outbreak as per government mandate and is expected to resume operations post lock down period. The management expects the company to resume normalcy within a period of 3 to 4 months post lockdown with some impact on overall operations, collections and deals closure through the financial year. The Company has sufficient working capital facilities to meet the Operations expenses and pay off the vendors and bankers in the immediate 12 months from the date of approval of these financial statements. Based on the above assessment, the management is of the view that Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

31. Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total debt divided by total equity. Total liabilities and total equity are based on the amounts stated in the financial statements.

The Company is not subject to externally enforced regulation.

Debt-to-equity ratio as of 31st March, 2020 and 31st March, 2019 is as follows:

	(Amounts in INR Lakhs)	
	31 March, 2020	31 March, 2019
Debt (A).....	30,054.13	28,847.42
Equity (B)	14,057.44	15,160.31
Debt Equity Ratio (A/B).....	2.14	1.90

Categories of financial assets and financial liabilities

	(Amounts in INR Lakhs)			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment in Associates.....	1,300.00	—	—	1,300.00
Investment in Joint Ventures.....	10,200.00	—	—	10,200.00
Other Financial Assets	4.53	—	—	4.53
Current Assets				
Trade Receivables.....	564.86	—	—	564.86
Cash and Cash equivalents.....	171.32	—	—	171.32
Other Financial Assets...	34.24	—	—	34.24
	12,274.95	—	—	12,274.95

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Amounts in INR Lakhs)				
As at 31 March, 2020				
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Liabilities				
Borrowings	24,237.16	–	–	24,237.16
Other Financial Liabilities	1.42	–	–	1.42
Current Liabilities				
Borrowings	5,816.97	–	–	5,816.97
Trade Payables	830.04	–	–	830.04
Other Financial Liabilities				–
– Non Derivative Financial Liabilities.....	40.98	–	–	40.98
	<u>30,926.57</u>	<u>–</u>	<u>–</u>	<u>30,926.57</u>

(Amounts in INR Lakhs)				
As at 31 March, 2019				
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment in Associates	1,300.00	–	–	1,300.00
Investment in Joint Ventures.....	10,200.00	–	–	10,200.00
Other Financial Assets	4.03	–	–	4.03
Current Assets				
Trade Receivables	1,650.97	–	–	1,650.97
Cash and Cash equivalents.....	110.28	–	–	110.28
Other Financial Assets..	84.23	–	–	84.23
	<u>13,349.51</u>	<u>–</u>	<u>–</u>	<u>13,349.51</u>
Non-current Liabilities				
Borrowings	20,327.33	–	–	20,327.33

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Amounts in INR Lakhs)				
Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March, 2020				
Non-interest bearing				
Trade Payable	830.04	–	–	–
Capital Creditors	5.00	–	–	–
Other Financial Liabilities.....	35.98	–	–	1.42
Variable interest rate instruments				
Short term Borrowing – Principal.....	5,816.97	–	–	–
Loan term Borrowing – Principal.....	–	20,174.66	4,062.50	–
Total	<u>6,688.00</u>	<u>20,174.66</u>	<u>4,062.50</u>	<u>1.42</u>

	Amortised Costs	FVTPL	FVOCI	Total
Other Financial Liabilities	1.09	–	–	1.09
Current Liabilities				
Borrowings	8,520.09	–	–	8,520.09
Trade Payables	1,076.00	–	–	1,076.00
Other Financial Liabilities				–
– Non Derivative Financial Liabilities.....	28.72	–	–	28.72
	<u>29,953.23</u>	<u>–</u>	<u>–</u>	<u>29,953.23</u>

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

The amount of trade receivable from Land leasing, Industrial park maintenance service and property leasing activities as appearing in the balance sheet of the company shows the amount due from the customers to whom the Industrial park Maintenance charges, water charges and property Lease services are provided. Company executes Land leasing agreement with customers only entire lease premium is paid by customers and hence no risk of credit loss in dues relating to Land leasing premium. Further, As per the company's policy, every customer has to deposit 3 to 6 months of Maintenance charges and/or monthly lease rentals with the company and as per the terms of the agreement with the customer's, company is entitled to adjust the pending dues against the deposits taken from customer and hence, company is not exposed to any credit loss risk. Further there has been no instance in past which shows that the company has written off any significant any dues pending and is not exposed to a credit risk. During the year to the extent where recoverability of debt is doubtful the company has made provision for expected credit loss.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Particulars	(Amounts in INR Lakhs)			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31 March, 2019				
Non-interest bearing				
Trade Payable	1,076.00	—	—	—
Capital Creditors	5.00	—	—	—
Other Financial Liabilities.....	23.72	—	—	1.09
Variable interest rate instruments				
Short term Borrowing - Principal	8,520.09	—	—	—
Loan term Borrowing - Principal	—	—	20,327.33	—
Total	9,624.81	—	20,327.33	1.09

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	(Amounts in INR Lakhs)	
	31 March, 2020	31 March, 2019
Secured Bank Overdraft facility		
— Expiring within one year.....	1,163.03	1,459.91
Secured Bank Guarantee Limit (sub limit of CC Credit facility)		
— Expiring within one year	20.00	20.00
	1,183.03	1,479.91

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	(Amounts in INR Lakhs)			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31 March, 2020				
Non-interest bearing				
Non Current Investment	—	—	—	11,500.00
Security Deposits	—	—	—	—
Trade Receivables	564.86	—	—	—
Cash and Cash equivalents	171.32	—	—	—
Other Current Financial Assets	34.24	4.53	—	—
Total	770.42	4.53	—	11,500.00
31 March, 2019				
Non-interest bearing				
Non Current Investment	—	—	—	11,500.00
Trade Receivables	1,650.97	—	—	—
Cash and Cash equivalents	110.28	—	—	—
Other Current Financial Assets	84.23	4.03	—	—
Total	1,845.48	4.03	—	11,500.00

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

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 risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amounts in INR Lakhs)			
Year	Currency	Increase/ decrease in basis points	Effect on financials
31 March, 2020	INR	+100	300.54
	INR	-100	(300.54)
31 March, 2019	INR	+100	288.47
	INR	-100	(288.47)

32. Related party transactions

Details of related parties:

Description of relationship	
Holding Company	Mahindra Lifespaces Developers Limited (MLDL)
Joint Venture	Mahindra Industrial Park Chennai Ltd (MIPCL)
Associate	Mahindra Integrated Township Limited (MITL)
Associate	Mahindra Residential Developers Limited (MRDL)
Key Management Personnel (KMP)	
Business Head	Mr. Jayant B Manmadkar (Resigned as on 30th April 19) Mr. Vimal Agarwal (with effect from 15th October, 2019)

Details of related party transactions during the year ended 31st March, 2020 and balances outstanding as at 31st March, 2020:

Transactions during the year	(Amounts in INR Lakhs)			
	Holding Company (MLDL)	Joint Venture (MIPCL)	Associate (MITL)	Associate (MRDL)
Land Sale	—	449.80	—	—
	—	(2,863.25)	—	—
Operation and maintenance Income	—	—	219.81	19.78
	—	—	(221.81)	(22.94)
Water charges	—	—	3.13	5.95
	—	—	(8.74)	(20.98)
Club income	0.49	0.88	1.65	0.37
	—	(0.36)	(3.04)	—
Services Provided	—	55.21	11.53	5.32
	—	(72.00)	(13.35)	—
Service received	21.96	13.20	—	—
	(18.00)	(12.00)	—	—
Dividend Received	—	—	—	—
	—	—	(149.50)	—
Dividend Paid	178.00	—	—	—
	—	—	—	—
Reimbursement of expenses- Given	—	3.97	—	—
	—	—	—	—
Reimbursement of expenses- Taken	—	38.64	—	—
	—	(435.54)	—	—
ESOP Costs	4.83	—	—	—
	(5.06)	—	—	—
Interest Paid	—	—	—	25.02
	—	—	—	(11.87)
Inter Corporate Deposit received	—	—	—	2,000.00
	—	—	—	(200.00)
Intercorporate Deposit/Term loan repaid	—	—	—	—
	—	—	—	(200.00)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Transactions during the year	(Amounts in INR Lakhs)			
	Holding Company (MLDL)	Joint Venture (MIPCL)	Associate (MITL)	Associate (MRDL)
Balance Outstanding as at the year end				
Internal corporate deposits(ICD) payable	–	–	–	2,000.00
	–	–	–	–
Security Deposits taken	–	–	66.27	23.07
	–	–	(66.27)	(23.07)
Receivables	–	3.34	76.14	14.57
	–	(1.36)	(72.17)	(0.60)
Payables	16.21	–	–	22.52
	(11.93)	–	–	–

Note: Figures in bracket relates to the previous year

33. Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
<i>Financial assets carried at Amortised Cost</i>				
– investments in Equity.....	11,500.00	11,500.00	11,500.00	11,500.00
– trade and other receivables.....	564.86	564.86	1,650.97	1,650.97
– deposits and similar assets	38.77	38.77	88.26	88.26
Total.....	12,103.63	12,103.63	13,239.23	13,239.23
Financial liabilities				
<i>Financial liabilities held at amortised cost</i>				
– Long term loans from Financial Institutions	24,237.16	24,237.16	20,327.33	20,327.33
– OD limits from Bank.....	3,816.97	3,816.97	8,520.09	8,520.09
– Loans from related parties.....	2,000.00	2,000.00	–	–
– Trade and other payables.....	830.04	830.04	1,076.00	1,076.00
– Other Financial Liabilities	42.40	42.40	29.81	29.81
Total.....	30,926.57	30,926.57	29,953.22	29,953.22

Fair value hierarchy as at 31 March, 2020

	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial assets carried at Amortised Cost</i>				
– investments in Equity.....	–	11,500.00	–	11,500.00
– trade and other receivables.....	–	564.86	–	564.86
– deposits and similar assets	–	38.77	–	38.77
Total.....	–	12,103.63	–	12,103.63
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Long term loans from Financial Institutions	–	24,237.16	–	24,237.16
– OD limits from Bank.....	–	3,816.97	–	3,816.97
– loans from related parties.....	–	2,000.00	–	2,000.00
– trade and other payables.....	–	830.04	–	830.04
– Other Financial Liabilities	–	42.40	–	42.40
Total.....	–	30,926.57	–	30,926.57

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Fair value hierarchy as at 31 March, 2019

(Amounts in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity.....	–	11,500.00	–	11,500.00
– trade and other receivables.....	–	1,650.97	–	1,650.97
– deposits and similar assets	–	88.26	–	88.26
Total	–	13,239.23	–	13,239.23
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Long term loans from Financial Institutions	–	20,327.33	–	20,327.33
– OD limits from Bank	–	8,520.09	–	8,520.09
– Trade and other payables.....	–	1,076.00	–	1,076.00
– Other Financial Liabilities	–	29.81	–	29.81
Total	–	29,953.22	–	29,953.22

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

34. Additional Information to the Financial Statements

i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

Si. No.	Particulars	(Amounts in INR Lakhs)	
		As at 31 March, 2020	As at 31 March, 2019
1	Dues remaining unpaid		
	Principal	75.58	48.23
	Interest	–	–
2	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	Principal paid beyond the appointed date	–	–
	Interest paid in terms of Section 16 of the MSMED Act	–	–
3	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year		–
4	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises		–
5	Amount of interest accrued and remaining unpaid		–

35. Other Notes

- The Company has disclosed the impact of pending litigations on its financial position in these Ind AS financial statements (Refer Note 28 to the Ind AS financial statements).
- The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company did not have any material foreseeable losses on long term contracts. The company has not entered into any derivative contracts.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

36. Leases

Ministry of corporate Affairs has notified Ind AS 116 "Leases" which is effective from 01st April, 2019. Pursuant to this, the company has applied this standard to all lease contracts existing on 01st April, 2019 using the retrospective approach with the cumulative effect at the date of initial application. The adoption of the Standard did not have any material impact to the financial results of the Company. Therefore, there is no effect of adopting Ind AS 116 on retained earnings as at 01st April, 2019. Thus, on transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and lease liability is NIL.

The Company has not applied the requirement of IND AS 116 to short-term leases of all assets that have a lease term of 12 months or less. Amount recognised as expense in Statement of Profit and Loss is Rs. 10.64 Lakhs.

37. Events after the Reporting period

No material events have occurred after the Balance sheet date and up to the approval of Financial statements.

38. Regrouping and Reclassification

Previous period/year figures have been regrouped/reclassified where found necessary, to conform to current period/year classification.

39. Approval of Financial Statements

The financial statements were approved for issue by the board of directors in the meeting on 22 April, 2020.

The accompanying notes 1 to 39 are an integral part of the financial statements.

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
Chairman
(DIN:00010029)

Sangeeta Prasad
Director
(DIN: 02791944)

Place: Chennai
Date: 22nd April 2020

Vimal Agarwal
Business Head (CEO)

Bharathy K
Chief Financial Officer

A Muthukumaran
Company Secretary

Annexure A

Form AOC-I

Salient features of Financial Statements of Subsidiary as per Companies Act, 2013

Nature	ASSOCIATES	JOINT VENTURES
Name of Subsidiary	Mahindra Integrated Township Limited	Mahindra Industrial park chennai Limited
The date since when subsidiary was acquired	04th May, 2006	22nd Dec, 2014
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
Share Capital	5,000.00	17,000.00
Reserves & Surplus	1,806.73	315.99
Total Assets	22,141.64	32,116.68
Total Liabilities	15,334.91	14,800.69
Investments	6,629.48	–
Turnover	326.03	4,050.68
Profit/(Loss) before taxation	(1,344.79)	223.23
Provision for taxation	(381.45)	84.68
Profit/(Loss) after taxation	(957.02)	138.55
Proposed Dividend	–	–
Extent of shareholding (in percentage)	26.00%	60.00%

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY (JAIPUR) LIMITED

Report on the Audit of the Ind AS Financial Statements Opinion

We have audited the accompanying Ind AS financial statements of **Mahindra World City (Jaipur) Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and 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 notes to the Ind AS financial statements and summary of the significant accounting policies and other explanatory information (herein after referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statement in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Ind AS financial statements.

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 at the date of this Auditor's Report comprises the information included in the Director's Report including annexures, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other 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 of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on Auditing specified under Section 143 (10) of the Act 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 Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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" / "CARO 2016"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure-B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the Directors as on 31 March 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 Rule 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 Ind AS financial statements. (Refer Note 30 to the Ind AS financial statements).
 - ii. The Company did not have any long-term contracts which has any material foreseeable losses. The Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B. K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
Membership No. 204764
UDIN : 20204764AAAAAV7088

Chennai, April 17, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Mahindra World City (Jaipur) Limited** (“the Company”) as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls over Financial Reporting

The Board of Directors of the Company 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Ind AS 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 the Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS 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, to the best of our information and according to the explanations given to us, 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 31 March 2020, based on the criteria for internal financial control over financial reporting 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 B. K. Khare & Co.
Chartered Accountants
(Firm’s Registration No. 105102W)

P. Shankar Raman
Partner

Membership No. 204764
UDIN : 20204764AAAAAV7088

Chennai, April 17, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) In respect of its fixed assets (Property, Plant & Equipment (PPE)) and Investment Properties:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE and investment properties.
 - b) Most of the PPE and investment properties were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of PPE and investment properties at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) With respect to the leasehold land on which the properties are constructed by the Company, based on examination of the registered lease deeds provided to us, we report that the lease agreements are in the name of the Company as at the balance sheet date where the company is the lessee in the agreement.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of lease deeds, physical verification of materials, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on 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 Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. There were no unclaimed deposits outstanding at any time during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and 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) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Cess, Goods and Services Tax and other material statutory dues in arrears as applicable as at 31 March 2020 for a period of more than six months from the date they became payable.
 - (c) The details of dues of Urban Land Tax and Income Tax which have not been deposited as on 31 March 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	Amount unpaid (Rs. In Lakhs)
Jaipur Development Authority Act 1982	Urban assessment /Shahri Jamabandi	Jaipur Development Authority	2006-16	32,179.39
Income Tax Act, 1961	Income Tax Demand	Commissioner of Income Tax (Appeals)	AY 2011-12	25.71

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders and Banks. The Company has not taken any loans or borrowings from financial institutions and government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such cases by the Management.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not paid / provided managerial remuneration covered under the provisions of Section 197

read with Schedule V to the Act and accordingly reporting under clause (xi) of CARO 2016 is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

For B. K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner

Membership No. 204764
UDIN : 20204764AAAAAV7088

Chennai, April 17, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

			Rs. in Lakhs
	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment.....	3	5,980.55	6,431.22
(b) Capital Work-in-Progress.....		148.63	133.68
(c) Investment Property	4	8,406.07	8,610.10
(d) Intangible Assets	5	—	—
(e) Financial Assets			
(i) Loans	6	116.06	112.92
(ii) Other Financial Assets	7	—	—
(f) Other Non-current Assets	8	560.05	1,262.06
SUB-TOTAL.....		15,211.36	16,549.98
2 CURRENT ASSETS			
(a) Inventories.....	9	50,012.26	48,401.01
(b) Financial Assets			
(i) Trade Receivables	10	2,694.61	690.63
(ii) Cash and Cash Equivalents	11	1,180.61	4,422.82
(iii) Bank Balances other than (ii) above	11	1,858.68	2,503.63
(iv) Other Financial Assets	7	27.66	89.57
(c) Other Current Assets.....	8	444.88	369.52
SUB-TOTAL.....		56,218.70	56,477.18
TOTAL ASSETS (1 + 2)		71,430.06	73,027.16
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Share Capital	12	15,000.00	15,000.00
(b) Other Equity.....	13	15,425.21	15,399.52
SUB-TOTAL.....		30,425.21	30,399.52
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings.....	14	16,200.96	22,580.71
(ii) Other Financial Liabilities.....	15	2.33	85.69
(b) Provisions.....	16	3,049.34	3,865.84
(c) Deferred Tax Liabilities (Net)	17	1,302.25	1,345.88
(d) Other Non-current Liabilities	18	798.45	707.00
SUB-TOTAL.....		21,353.33	28,585.12
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings.....	14	2,044.68	18.52
(ii) Trade Payables.....	19		
- Total outstanding dues of micro enterprises and small enterprises.....		46.05	13.82
- Total outstanding dues of creditors other than micro enterprises and small enterprises.....		1,403.30	1,226.95
(iii) Other Financial Liabilities.....	15	12,812.90	9,560.03
(b) Provisions.....	16	2,121.47	1,639.17
(c) Other Current Liabilities.....	18	1,223.12	1,584.03
SUB-TOTAL.....		19,651.52	14,042.52
TOTAL EQUITY AND LIABILITIES (1 + 2 + 3)		71,430.06	73,027.16
Summary of Significant Accounting Policies.....	2		
The accompanying notes 1 to 38 are an integral part of these financial statements			

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants

P. Shankar Raman
Partner
Place: Chennai
Date: April 17, 2020

For and on behalf of the Board of Directors

Maheswar Sahu
Director
(DIN : 00034051)
Sanjay Srivastava
Chief Executive Officer
Asfar Khan
Chief Financial Officer
Place: Jaipur
Date: April 17, 2020

Sangeeta Prasad
Director
(DIN : 02791944)
Bijal Parmar
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	Rs. in Lakhs	
		For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
I Revenue from operations.....	20	10,652.92	13,352.45
II Other income	21	305.32	165.37
III Total Income (I + II)		10,958.24	13,517.82
IV EXPENSES			
(a) Cost of Sales			
- Cost of Projects.....	22	1,525.72	2,242.42
- Operation & Maintenance expenses.....	23	1,680.01	1,720.16
(b) Employee benefits expense.....	24	514.66	435.25
(c) Finance costs	25	2,583.76	2,487.65
(d) Depreciation and amortisation expense.....	3 & 4	654.70	699.34
(e) Other expenses	26	714.26	676.48
Total Expenses- (IV)		7,673.11	8,261.30
V Profit before tax (III - IV)		3,285.13	5,256.52
VI Tax Expense			
(1) Current tax.....	27	581.31	1,143.21
(2) Deferred tax.....	27	(40.93)	180.62
Less: MAT Credit entitlement		-	(536.17)
Total tax expense- (VI)		540.38	787.66
VII Profit after tax (V - VI)		2,744.75	4,468.86
VIII Other comprehensive income		(6.57)	6.89
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(9.27)	9.72
(b) Income tax relating to item that will not be reclassified to profit or loss		2.70	(2.83)
IX Total comprehensive income for the year (VII + VIII)		2,738.18	4,475.75
XI Earnings per share (Face Value of Rs. 10/- each)			
(1) Basic/ Diluted Earnings per share (Rs.).....	28	1.83	2.98
Summary of Significant Accounting Policies.....	2		

The accompanying notes 1 to 38 are an integral part of these financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants

P. Shankar Raman
Partner
Place: Chennai
Date: April 17, 2020

For and on behalf of the Board of Directors

Maheswar Sahu
Director
(DIN : 00034051)
Sanjay Srivastava
Chief Executive Officer
Asfar Khan
Chief Financial Officer
Place: Jaipur
Date: April 17, 2020

Sangeeta Prasad
Director
(DIN : 02791944)
Bijal Parmar
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Rs. in Lakhs	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Cash flows from operating activities		
Profit before tax for the year	3,285.13	5,256.52
Non-cash adjustment to reconcile profit before tax to net cash flows		
Finance costs recognised in profit or loss.....	2,583.76	2,487.65
Interest Income.....	(228.05)	(99.81)
Investment income recognised in profit or loss.....	–	(63.84)
Depreciation and amortisation of non-current assets.....	654.70	699.34
Operating Profit before working capital changes	6,295.54	8,279.86
Movements in working capital:		
(Increase) / Decrease in trade and other receivables	(2,003.98)	799.82
Decrease/ (Increase) in inventories	255.31	(91.98)
(Increase) / Decrease in other Non Current and current assets	(42.37)	135.33
Increase Financial Assets- Loans	(3.14)	(1.61)
Increase in trade and other payables	208.58	5.36
(Decrease)/ Increase in financial liabilities	(310.94)	52.83
(Decrease)/ Increase in other liabilities	(269.46)	161.40
Increase/ (Decrease) in Provisions.....	184.28	(102.52)
Cash generated from operations.....	4,313.82	9,238.49
Income taxes (refund)/paid, net	129.37	(1,222.45)
Net cash generated by operating activities	4,443.19	8,016.04
Cash flows from investing activities		
Capital expenditure	(103.47)	(181.25)
Payments to acquire financial assets	644.95	(21,061.10)
Proceeds from sale of financial assets	–	19,290.48
Interest & Investment Income received.....	245.60	23.68
Net cash generated from/(used in) investing activities	787.08	(1,928.19)
Cash flow from financing activities		
Proceeds from borrowings	2,026.16	29,168.95
Repayment of borrowings.....	(5,500.00)	(27,800.00)
Dividend Paid (including dividend distribution tax)	(2,712.49)	(2,712.49)
Interest Paid.....	(2,286.15)	(765.29)
Net cash used in financing activities	(8,472.48)	(2,108.83)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Rs. in Lakhs	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Net (decrease) / increase in cash and cash equivalents	(3,242.21)	3,979.02
Cash and cash equivalents at the beginning of the year	4,422.82	443.80
Cash and cash equivalents at the end of the year	1,180.61	4,422.82
Components of cash and cash equivalents		
Cash on hand.....	0.65	0.65
With banks		
- on current account.....	634.38	442.17
- on cheques on hand	473.85	–
- on deposit account.....	71.73	3,980.00
Total cash and cash equivalents (Note 11)	1,180.61	4,422.82

Particulars	₹ in Lakhs	
	A As at 31 March, 2020	B As at 31 March, 2019
Change in Liability arising from financing activities		
Non Current Borrowings (Refer Note 14 A)	16,200.96	22,580.71
Current Borrowings (Refer Note 14 B)	2,044.68	18.52
Current maturities of Long term debt (Refer Note 15).....	7,108.38	5,496.36
Total	25,354.02	28,095.59
Cash flows (A - B)		(2,741.57)
EIR adjustment to the above		(732.27)
Cash flows, net as per Financing Activities for the year ended 31 March, 2020....		(3,473.84)

Summary of Significant Accounting Policies (Note 2).

The accompanying notes 1 to 38 are an integral part of these financial statements.

Notes:

The above Cash Flow Statement has been prepared under the “Indirect method” as set in ‘Indian Accounting Standard (IND AS) - Statement of Cash Flows’.

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants

P. Shankar Raman
Partner

Place: Chennai
Date: April 17, 2020

For and on behalf of the Board of Directors

Maheswar Sahu
Director
(DIN : 00034051)

Sanjay Srivastava
Chief Executive Officer

Asfar Khan
Chief Financial Officer

Place: Jaipur
Date: April 17, 2020

Sangeeta Prasad
Director
(DIN : 02791944)

Bijal Parmar
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. in Lakhs

Particulars	Share Capital	Reserves and Surplus			Total
	Equity Share Capital	Debenture Redemption Reserve	Capital Redemption Reserve	Retained Earnings	
Balance as at - April 1, 2018	15,000.00	1,875.00	5,000.00	6,761.26	28,636.26
Profit for the year				4,468.86	4,468.86
Other Comprehensive Income net of taxes*				6.89	6.89
Dividend paid on Equity Shares				(2,250.00)	(2,250.00)
Dividend Distribution Tax				(462.49)	(462.49)
Transfer to Debenture Redemption Reserve		2,036.66		(2,036.66)	–
Transfer to Retained Earnings		(500.00)		500.00	–
Balance as at - March 31, 2019	15,000.00	3,411.66	5,000.00	6,987.86	30,399.52

Particulars	Share Capital	Reserves and Surplus			Total
	Equity Share Capital	Debenture Redemption Reserve	Capital Redemption Reserve	Retained Earnings	
Balance as at - April 1, 2019	15,000.00	3,411.66	5,000.00	6,987.86	30,399.52
Profit for the year				2,744.75	2,744.75
Other Comprehensive Income net of taxes*				(6.57)	(6.57)
Dividend paid on Equity Shares				(2,250.00)	(2,250.00)
Dividend Distribution Tax				(462.49)	(462.49)
Transfer to Debenture Redemption Reserve		(968.97)		968.97	–
Balance as at - 31 March, 2020	15,000.00	2,442.69	5,000.00	7,982.52	30,425.21

* Remeasurement gains/ (losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings.

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants

P. Shankar Raman
Partner
Place: Chennai
Date: April 17, 2020

For and on behalf of the Board of Directors

Maheswar Sahu
Director
(DIN : 00034051)

Sanjay Srivastava
Chief Executive Officer

Asfar Khan
Chief Financial Officer

Place: Jaipur
Date: April 17, 2020

Sangeeta Prasad
Director
(DIN : 02791944)

Bijal Parmar
Company Secretary

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

1. General Information

Mahindra World City (Jaipur) Limited ("the Company") is engaged in the business of development of an Industrial park with Special Economic Zone (SEZ) and Domestic Tariff Area (DTA). The Company acquires land under lease, incurs expenditure on its development and related infrastructure facilities and gives them on a long-term lease for industrial, commercial and residential use. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

The registered office of the Company is located at 4th Floor, 411, Neelkanth Tower, Bhawani Singh Road, C-Scheme, Jaipur – 302001, Rajasthan.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Companies Act, 2013 ("the Act"). The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 17th April, 2020.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Income from properties

Income from properties and other assets given under operating lease is recognised based on the terms of lease agreement on a straight-line basis over the non-cancellable lease period.

2.3.3 Income from Operations and Maintenance (O&M)

Income from operation & maintenance charges and water charges are recognized over time on an accrual basis as per terms of the agreement with the lessees.

2.3.4 Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Current versus non-current classification

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

Based on the nature of activity carried out by the Company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

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

The Company classifies all other liabilities as non-current.

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

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.5 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.5.1 The Company as a Lessee

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.5.2 Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case,

the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.9 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.10 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties used in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Certain plant and equipment are depreciated over a period of 12 years based on technical evaluation of useful life by management.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.11 Investment Property:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement of IND AS 16 for cost model.

Investment property includes leasehold land and building. Depreciation on investment property has been provided on pro-rata basis, on the straight-line method as per the useful life of such property. Buildings are depreciated over the period of 60 years considering this period as the useful life for the Company.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated at the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.12 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also, allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.14 Provisions, contingent liabilities and contingent assets

2.14.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows

estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.14.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.14.3 Contingent liabilities

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

2.14.4 Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.16.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for Fair Value through Other Comprehensive Income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.16.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.16.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument by- instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments
- that the Company manages together and has a recent actual pattern of short term
- profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or
- a financial guarantee.

2.16.4 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria

or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. To set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.16.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.16.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.16.8 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.9.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.16.9.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16.9.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets / liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain / loss arising out of such translation is adjusted to the profit and loss account.

2.18 Earnings per Share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.19 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences etc.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- a) in case of accumulated compensated absences, when employees render the services that increase their entitlement

of future compensated absences; and

- b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.20 Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Goods and Services tax input credit:

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.22 Use of estimates and judgements

The Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods. If the revision affects both current and future periods.

Key sources of estimation uncertainty

Management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

C. COVID -19 Impact assessment:

The Company assessed its performance and future projections in light of the developments due to COVID 19 situation worldwide and has reassessed the impact that it may cause on the Company's financial and operational performance. The Company may experience delay in getting new prospects and signing of lease deeds which may have an impact on the inflow of funds during the lock down period. There could be delay in inflow of Operations and Maintenance income. The management expects the company to resume normalcy within a period of 3 to 4 months post lockdown with some impact on overall operations, collections and deals closure through the financial year. The Company has sufficient working capital facilities to meet the operational expenses and pay off the vendors and bankers in the immediate 12 months from the date of approval of these financial statements. Based on the above assessment, the management is of the view that Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 3 - Property, Plant and Equipment

	As at 31 st March, 2020	As at 31 st March, 2019
Carrying Amounts of:		
Land - Lease hold.....	19.19	19.41
Buildings	4,979.07	5,135.19
Plant & Equipment.....	964.49	1,217.04
Office Equipment.....	7.42	11.77
Furniture and Fixtures	8.97	41.70
Vehicles.....	–	0.66
Computers	1.41	5.45
Total	5,980.55	6,431.22

Description of Assets	Land - Leasehold	Buildings	Plant & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at 1 April 2019	20.55	5,974.88	2,903.02	49.44	1,490.45	42.48	68.78	10,549.60
Additions	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	4.20	4.20
Balance As at 31 March, 2020	20.55	5,974.88	2,903.02	49.44	1,490.45	42.48	64.58	10,545.40
II. Accumulated depreciation and impairment								
Balance as at 1 April 2019	1.14	839.69	1,685.98	37.67	1,448.75	41.82	63.33	4,118.38
Depreciation expense for the year	0.22	156.12	252.55	4.35	32.73	0.66	4.04	450.67
Disposals	–	–	–	–	–	–	4.20	4.20
Balance As at 31 March, 2020	1.36	995.81	1,938.53	42.02	1,481.48	42.48	63.17	4,564.85
III. Net carrying amount (I-II)	19.19	4,979.07	964.49	7.42	8.97	–	1.41	5,980.55

Description of Assets	Land - Leasehold	Buildings	Plant & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at 1st April, 2018	20.55	5,764.36	2,903.02	49.44	1,490.13	42.48	62.04	10,332.02
Additions	–	210.52	–	–	0.32	–	6.74	217.58
Balance as at 31 March 2019	20.55	5,974.88	2,903.02	49.44	1,490.45	42.48	68.78	10,549.60
II. Accumulated depreciation and impairment								
Balance as at 1st April 2018	0.91	686.82	1,420.05	31.96	1,385.99	40.26	58.46	3,624.45
Depreciation expense for the year	0.23	152.87	265.93	5.71	62.76	1.56	4.87	493.93
Balance as at 31 March 2019	1.14	839.69	1,685.98	37.67	1,448.75	41.82	63.33	4,118.38
III. Net carrying amount (I-II)	19.41	5,135.19	1,217.04	11.77	41.70	0.66	5.45	6,431.22

Note:

The depreciation methods used and the useful lives or the depreciation rates used are as per the Accounting policy. Refer notes 1 and 2

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 4 - Investment Property

Carrying Amounts of:	As at 31 st March, 2020	As at 31 st March, 2019
Completed Investment Properties (Net Value)	8,406.07	8,610.10

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1 April 2019	370.04	10,052.34	10,422.38
Balance As at 31 March, 2020	370.04	10,052.34	10,422.38
II. Accumulated depreciation and impairment			
Balance as at 1 April 2019	46.28	1,766.00	1,812.28
Addition	3.68	200.35	204.03
Balance As at 31 March, 2020	49.96	1,966.35	2,016.31
III. Net carrying amount (I-II)	320.08	8,085.99	8,406.07

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1 April 2018	370.04	10,052.34	10,422.38
Balance As at 31 March, 2019	370.04	10,052.34	10,422.38
II. Accumulated depreciation and impairment			
Balance as at 1 April 2018	42.60	1,564.27	1,606.87
Addition	3.68	201.73	205.41
Balance as at 31 March, 2019	46.28	1,766.00	1,812.28
III. Net carrying amount (I-II)	323.76	8,286.34	8,610.10

Fair value disclosure on Company's investment properties

- The Company's investment properties consist of land and building with current rentable area of 4.30 Lakhs sq. ft. Management determined that the investment properties consist of two classes of assets – Land and Building – based on the nature, characteristics and risks of each property.
- As at 31 March 2020 and 31 March 2019, the fair values of the properties are Rs. 17,254.21 Lakhs and Rs. 17,930.62 Lakhs respectively (Level 3). These valuations are based on valuations performed by Purshotam Khandelwal who is registered with an authority which governs the valuers in India and has appropriate qualification and experience in the valuation of properties.
- The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique- Income Approach Method

Significant unobservable Inputs	Range (weighted average)	
	As at 31 st March, 2020	As at 31 st March, 2019
Annual Rental.....	1,684.26	1,951.72
Less: Repairs & Maintenance & Mgmt Exp, Insurance Etc. 15%	253.00	292.76
Net Annual Rental.....	1,431.26	1,658.96
Capitalized Net Yield	10.00%	10.00%
Net Annual Income.....	14,312.60	16,589.66
Total Built Up area (Sq Ft area)	430,672	430,672
Rented Built Up Area.....	374,641	404,634
Area under Possession MWCJ	56,031	26,038
Market Rate /Sq ft Rs. 5250 yr 2019-20 Rs. 5150 Yr 2018-19.....	2,941.61	1,340.96
Total Market Value	17,254.21	17,930.62
Realisable Value 75%	12,940.66	13,447.96
Realisable Value (in CR).....	129.41	134.48
Distress Sale Value 50%.....	8,627.11	8,965.31
Distress Sale Value (In CR).....	86.27	89.65

Basis of Valuation Method:- Valuation is carried out by income approach method (also called Yield Method) is adopted in which appropriate rate of return is capitalised to reach the market value of the property of the portion rent out and sales comparable method use for the portion under owner Possession.

The depreciation methods used and the useful lives or the depreciation rates used are as per the Accounting policy. Refer notes 1 and 2

Note No. 5 - Intangible Assets

Carrying Amounts of:	As at 31 st March, 2020	As at 31 st March, 2019
Other Intangible Assets	-	-

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2019	52.03	52.03
Balance as at 31 March 2020	52.03	52.03
II. Accumulated depreciation and impairment		
Balance as at 1 April 2019	52.03	52.03
Balance as at 31 March 2020	52.03	52.03
III. Net carrying amount (I-II)	-	-

Description of Assets	Computer Software	Total
Intangible Assets		
I. Gross Carrying Amount		
Balance as at 1 April 2018	52.03	52.03
Balance as at 31 March, 2019	52.03	52.03
II. Accumulated depreciation and impairment		
Balance as at 1 April 2018	52.03	52.03
Balance as at 31 March, 2019	52.03	52.03
III. Net carrying amount (I-II)	-	-

Note: The depreciation methods used and the useful lives or the depreciation rates used are as per the Accounting policy. Refer notes 1 and 2.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 6 - Loans

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
Security Deposits				
- Unsecured, considered good	-	116.06	-	112.92
Total	-	116.06	-	112.92

Note No. 7 - Other Financial Assets

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost				
a) Interest Accrued	27.66	-	89.57	-
Total	27.66	-	89.57	-

Note No. 8 - Other Non - Current Assets

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)....	107.67	82.91	45.08	82.91
(ii) Income Tax Assets (Net)	-	63.32	-	732.34
(iii) Taxes paid under Protest (Refer note 30)	-	406.88	-	413.31
(iv) Prepaid Expenses	54.29	6.94	24.03	29.08
(v) Advance to vendors	266.39	-	275.76	-
(vi) Others*	16.53	-	24.65	4.42
Total	444.88	560.05	369.52	1,262.06

* Others mainly includes recoverable from vendors and unbilled revenue.

Note No. 9 - Inventories

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Inventories (Work-in-progress)	50,012.26	48,401.01
Total Inventories	50,012.26	48,401.01
Included in above:		
Land Cost	19,881.71	20,272.85
Development Cost	30,130.55	28,128.16
Total	50,012.26	48,401.01

- (i) The cost of inventories recognised as an expense during the year was 1,525.72 Lakhs (31 March 2019: 2,242.42 Lakhs).
- (ii) The carrying amount of inventories is pledged as security for liabilities. Refer Note No. 14 - Borrowings.
- (iii) Mode of valuation of inventories is cost or net realisable value, whichever is less. Refer note 2.8.
- (iv) Based on detailed assessment and evaluation of impact of the COVID-19 epidemic, the management concluded that the realisable value of these inventories will not be lower than the carrying value as stated above.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 10 - Trade Receivables

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non Current	Current	Non Current
Trade receivables				
(a) Unsecured, considered good	2,694.61	–	690.63	–
TOTAL	2,694.61	–	690.63	–

- (i) Trade receivables are dues in respect of services rendered in the normal course of business.
(ii) The average credit period in the range of 7-60 days on service rendered is as per the terms of the service agreement with clients.

Note No. 11 - Cash and Cash Equivalents

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents		
(a) Balances with banks	634.38	442.17
(b) Cash on hand	473.85	–
(c) Cash on hand	0.65	0.65
(c) Fixed Deposits with original maturity less than 3 months	71.73	3,980.00
Total Cash and cash equivalents (considered in Cash Flow Statement)	1,180.61	4,422.82
Other Bank Balances		
(a) Earmarked balances with banks ...	13.90	12.33
(b) Balances with Banks:		
(i) Fixed Deposits	1,844.78	2,491.30
Total Other Bank balances	1,858.68	2,503.63
Grand Total	3,039.29	6,926.45

Note No. 11 a. Fixed deposit is earmarked for availing overdraft facility of Rs. 9.00 Lakhs with State Bank of India. The overdraft facility is unutilised as on 31.03.2020 (Previous year- Nil).

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	Opening Balance	Other Changes	Closing Balance
Equity Shares with Voting rights*			
Year Ended 31 March 2020			
No. of Shares	150,000,000	–	150,000,000
Amount	15,000	–	15,000
Year Ended 31 March, 2019			
No. of Shares	150,000,000	–	150,000,000
Amount	15,000	–	15,000

* Terms/ rights attached to equity shares are mentioned in note 13 (a).

- There were no Preference shares issued during the year or outstanding as on 31 March 2020 and 2019

Note No. 12 - Share Capital

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Authorised Share Capital:		
150,000,000 fully paid equity shares of Rs 10 each	15,000.00	15,000.00
50,000,000 Preference shares of Rs 10 each	5,000.00	5,000.00
Issued, Subscribed and Fully Paid:		
150,000,000 Equity shares of 10 each	15,000.00	15,000.00
Total	15,000.00	15,000.00

- (a) Terms/ rights attached to equity shares:
- (i) The Company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of Equity Shares is entitled to one vote per share and carry right to dividends.
- (ii) The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.
- (iii) Repayment of capital will be in proportion to the number of equity shares held.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

(c) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder

	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Mahindra Lifespace Developers Limited	111,000,000	74%	111,000,000	74%
- Rajasthan State Industrial Development and Investment Corporation Limited.....	39,000,000	26%	39,000,000	26%

Note No. 13 (a) - Other Equity

Particulars

	As at 31 st March, 2020	As at 31 st March, 2019
Retained earnings.....	7,982.52	6,987.86
Capital redemption reserve.....	5,000.00	5,000.00
Debenture redemption reserve.....	2,442.69	3,411.66
Total	15,425.21	15,399.52

Note No. 13 (b) - Other Equity

Particulars	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
As at 1 April, 2019	5,000.00	3,411.66	6,987.86	15,399.52
Profit for the year.....	-	-	2,744.75	2,744.75
Other Comprehensive Income.....	-	-	(6.57)	(6.57)
Total Comprehensive Income for the year	5,000.00	3,411.66	9,726.04	18,137.70
Dividend paid on Equity Shares	-	-	(2,250.00)	(2,250.00)
Dividend Distribution Tax	-	-	(462.49)	(462.49)
Transfers to Debenture Redemption Reserve	-	(968.97)	968.97	-
As at 31 March, 2020	5,000.00	2,442.69	7,982.52	15,425.21

Capital Redemption Reserve: The Capital Redemption Reserve was created against redemption of Preference Shares.

Debenture Redemption Reserve: A debenture redemption reserve is a provision created against issue of debentures to protect investors against the possibility of default by the company.

Pursuant to Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 (amended vide notification dated 16th August, 2019), an amount of Rs. 968.97 Lakhs being the excess DRR in the books of accounts have been transferred to Retained Earnings.

Retained Earnings: This reserve represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Note No. 14 - Borrowings

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
A. Non- Current Borrowings		
Measured at amortised cost		
I. Secured Borrowings:		
(a) Bonds / Debentures- Refer note 14 A- I (a)	-	2,998.05
Total Secured Borrowings	-	2,998.05
II. Unsecured Borrowings:		
- Other Loans- Refer note 14 A- II	16,200.96	19,582.66
Total Unsecured Borrowings	16,200.96	19,582.66
Total Non- Current Borrowings	16,200.96	22,580.71
B. Short Term Borrowings		
Secured Borrowings		
Loans repayable on demand		
- From Banks	2,044.68	18.52
Total Secured Borrowings	2,044.68	18.52

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Summary of Borrowing Arrangements:

Note - 14 A- I - (a) 10.90% Redeemable Non Convertible Debentures

The Company has issued, on 19th December' 2015 10.90%- 650 Redeemable Secured Non Convertible Debentures of Rs. 10 Lakhs each aggregating to Rs. 65 Crores repayable in 3, 4 and 5 years in the ratio of 31:31:38 respectively as below :-

Particulars	Series I *	Series II *	Series III
Face Value (Rs.)	1,000,000	1,000,000	1,000,000
No. of Debentures	200	200	250
Total Value (Rs.)	200,000,000	200,000,000	250,000,000
Maturity Date	19-Dec-17	19-Dec-18	19-Dec-19

These Debentures are secured by way of first pari passu charge along with the debenture holders of Rs. 60 Crore (Out of 150 Crores issued in July'16) on the assets of the project (excluding specified assets) by way of constructive mortgage, through deposit of the title deeds with the Debenture Trustee.

The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 X at all times during the currency of debentures.

All the series of the issue have been duly repaid on the maturity dates.

Note - 14 A- I - (b) 9.48% Redeemable Non Convertible Debentures

The Company has issued, on 7th July' 2016, 150 Redeemable Secured Non Convertible Debentures of Rs. 10 Lakhs each aggregating to Rs. 150 Crores repayable in 3, 4 and 5 years in the ratio of 20:20:60 respectively as below:-

Particulars	Series I*	Series II	Series III **
Face Value (Rs.)	1,000,000	1,000,000	1,000,000
No. of Debentures	300	300	900
Total Value (Rs.)	300,000,000	300,000,000	900,000,000
Coupon Rate (%)	N.A.	N.A.	9.48%
Interest Repayment	N.A.	N.A.	Annual
Redemption Premium (Rs.)	93,469,500	131,090,300	N.A.
Maturity Date	8-Jul-19	7-Jul-20	7-Jul-21**

- First ranking pari passu charge on the specified Mortgaged Assets of the Company along with the NCD holder of Rs. 65 Crore by way of constructive mortgage, through deposit of the title deeds with the Debenture Trustee.

- The Company shall ensure that the requisite security cover of 1.25x to the Secured Obligations shall be maintained throughout the tenor of the Debentures and this Deed.

* Series I of the issue has been duly repaid on the due date.

** Series III of Rs. 90 Cr. was pre- paid on 14th December' 2017 with redemption premium charges of Rs. 232 Lakhs.

Note - 14 A- II. The Company has issued, on 5th July' 2018 - unsecured, unlisted, redeemable, non-convertible debentures as below:-

Particulars	Series 1A	Series 1B	Series B	Total
Face Value (Rs.)	100.00	100.00	100.00	
No. of Debentures	6,622,870	12,856,160	1,947,903	21,426,933
Total Face Value (Value in Lakhs)	6,622.87	12,856.16	1,947.90	21,426.93
Discount on issue	10%	10%	Nil	Nil
Total Issue Value (Value in Lakhs)	5,960.59	11,570.54	1,947.90	19,479.03

The key terms series 1A are as below:

- (a) Coupon on each Series 1A Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series 1A Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series 1A Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

The key terms series 1B are as below:

- (a) Coupon on each Series 1B Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series 1B Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series 1B Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

The key terms series B are as below:

- (a) Coupon on each Series B Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series B Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series B Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

Non- Current Borrowings Outstanding Summary

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
9.48% Redeemable Non Convertible Debentures.....	-	2,998.05
Non- Convertible Debentures- IFC.....	16,200.96	19,582.66
Total	16,200.96	22,580.71

Note - 14 B. The cash credit facility carries interest rate in the range of 8.60% p.a. to 9.20% p.a. and is secured against trade receivables.

Note No. 15 - Other Financial Liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Other Financial Liabilities Measured at Amortised Cost		
Non-Current		
(a) Security Deposits.....	2.33	85.69
Total Non Current Other financial liabilities measured at amortised cost ...	2.33	85.69
Current		
a) Current maturities of long-term debt (Refer 14)	7,108.38	5,496.36
b) Interest Accrued but not due (Note - 14 A- I and II.)	4,296.08	2,339.13
c) Other liabilities		
(1) Capital Creditors.....	45.66	134.18
(2) Security Deposits from lessees	1,327.35	1,550.06
(3) Others.....	35.43	40.30
Total Current Other financial liabilities measured at amortised cost	12,812.90	9,560.03
Total other financial liabilities	12,815.23	9,645.72

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

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Current maturities Outstanding Summary

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
9.48% Redeemable Non Convertible Debentures	3,000.00	2,999.99
10.90% Redeemable Non Convertible Debentures	–	2,496.37
Non- Convertible Debentures- IFC.....	4,108.38	–
Total	7,108.38	5,496.36

Note No. 16 - Provisions

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
(a) Provision for employee benefits				
- Gratuity	1.94	77.24	1.33	53.34
- Leave encashment	31.42	35.42	29.51	26.59
(b) Other Provisions				
(1) Premium payable of redemption of Non-convertible Debentures (refer note 14 A-I- b)	1,223.87	–	853.45	895.47
(2) Provision for cost of sale	864.24	2,936.68	754.88	2,890.44
Total Provisions	2,121.47	3,049.34	1,639.17	3,865.84

Note- 16 a. Long term employee benefit expense provision includes provision for leave encashment and gratuity.

Note- 16 b. The Other Provisions are not subject to discounting, considering no fixed timeline to incur cash outflow.

Note No. 17: Deferred Tax Liabilities (Net)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019	For the Year ended 31 st March, 2019		
			Opening Balance	For the year	Closing Balance
Deferred Tax Liabilities.....	1,994.34	2,032.44			
Deferred Tax Assets.....	(692.09)	(686.56)			
Total	1,302.25	1,345.88			
(i) Movement in deferred tax balances					
For the Year ended 31st March, 2020					
Particulars	Opening Balance	For the year	Closing Balance		
<u>Tax effect of items constituting deferred tax liabilities</u>					
Property, Plant and Equipment.....	2,032.44	(39.40)	1,993.04		
Others- (unbilled debtors).....	–	1.30	1.30		
A	2,032.44	(38.10)	1,994.34		
<u>Tax effect of items constituting deferred tax assets</u>					
Provisions for Leave Encashment & Gratuity ...	32.00	10.51	42.51		
Other Items	5.00	(4.98)	0.02		
Minimum Alternate Credit Entitlement.....	649.56	–	649.56		
B	686.56	5.53	692.09		
Net Tax Liabilities..... (A - B)	1,345.88	(43.63)	1,302.25		

Tax effect of items constituting deferred tax liabilities

Property, Plant and Equipment.....	1,851.00	181.44	2,032.44
	1,851.00	181.44	2,032.44

Tax effect of items constituting deferred tax assets

Provisions for Leave Encashment & Gratuity ...	33.01	(1.01)	32.00
Other Items (Unbilled Debtors)	6.00	(1.00)	5.00
Minimum Alternate Credit Entitlement.....	113.39	536.17	649.56
	152.40	534.16	686.56

Net Tax Liabilities..... 1,698.60 (352.72) 1,345.88

* Deferred tax (Charge) / Credit recognised in Other comprehensive income on Remeasurements of the defined benefit plans is Rs 2.70 Lakhs (Previous Year-Rs (2.83) Lakhs).

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 18 - Other Liabilities

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
a. Advances received from customers	1,174.43		1,545.68	
b. Statutory dues				
- taxes payable (other than income taxes).....	39.18		38.35	
c. Others	9.51	798.45		707.00
TOTAL OTHER LIABILITIES	1,223.12	798.45	1,584.03	707.00

18 (a) Others represent the rent free deposits received from customers treated as Advance income.

Note No. 19 - Trade Payables

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
Total outstanding dues of micro enterprises and small enterprises - Refer Note no. 31	46.05	-	13.82	-
total outstanding dues of creditors other than micro enterprises and small enterprises	1,403.30	-	1,226.95	-
Total trade payables	1,449.35	-	1,240.77	-

- Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
- The average credit period in the range of 0-60 days on goods/service received is as per the terms of the agreement with vendors.
- 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.

Note No. 20 - Revenue from Operations

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Revenue from rendering of services:		
(i) Land Lease Premium	5,884.64	9,082.12
(ii) Property Rentals- eVolve	1,954.29	1,928.38
(iii) Income from Operation and Maintenance	2,489.39	2,341.95
(iv) Others	324.60	-
Total Revenue from Operations	10,652.92	13,352.45

22. (a) During the year, the company has leased 23.34 (previous year 46.19) acres of land on long term basis. Of this 3.82 (previous year 26.71) acres in Special Economic Zone (SEZ) and 19.52 (previous year 19.48) acres is in the Non Special economic Zone (Non SEZ).

22. (b) Others represent Provision made in earlier years for onerous contract reversed consequent to termination of contract.

Note No. 21 - Other Income

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
(a) Interest Income		
(1) Interest on Bank Deposits	183.69	79.32
(2) Others	50.54	20.49
(b) Net gain/(loss) arising on financial assets designated as at FVTPL	-	63.84
(c) Miscellaneous Income*	71.09	1.72
Total Other Income	305.32	165.37

* Miscellaneous income for year ended 31st March, 2020 represents Liabilities no longer required written back.

Note No. 22 - Cost of Projects

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Cost of Projects:		
Opening Stock:		
Work-in-progress	48,401.01	46,750.54
Sub-Total (a)	48,401.01	46,750.54
Add: Expenses incurred during the year		
Land Cost	-	-
Civil, Electrical, Contracting etc.	662.86	2,075.38
Finance Costs.....	1,866.56	1,558.49
Overheads allocated	282.95	259.02
Sub-Total (b)	2,812.37	3,892.89
Less: Closing Stock:		
Work in progress	50,012.26	48,401.01
Sub-Total (c)	50,012.26	48,401.01
Re- grouping of CoC Revision ..	324.60	
Total (a+b-c)	1,525.72	2,242.42

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

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Note No. 23 - Operation & Maintenance expenses

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
(a) Site Electricity & Diesel Expenses	224.17	248.34
(b) Repairs & Maintenance Expenses	300.53	425.65
(c) Security Charges	197.17	208.10
(d) Landscaping/ Water Charges	559.40	455.40
(e) Cleaning/Housekeeping Charges	309.16	277.34
(f) Organization Expenses	48.63	63.62
(g) Insurance Expenses	11.00	11.80
(h) Legal & Professional Fees	0.03	0.04
(i) Rates & Taxes	9.12	10.21
(j) Other Miscellaneous Expenses	20.80	19.66
Total Operation and Maintenance Expense	1,680.01	1,720.16

Note No. 24 - Employee Benefits Expense

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
(a) Salaries and wages, including bonus*..	736.51	621.89
(b) Contribution to provident and other funds	41.78	38.85
(c) Staff welfare expenses	15.46	21.90
Total Employee Benefit Expense	793.75	682.64
Less : Allocated to projects	(279.09)	(247.39)
Total Net Employee Benefit Expense	514.66	435.25

* Includes cost for Employee Stock Options of Mahindra Lifespaces Developers Limited issued to employees of the Company aggregating to Rs 7.51 Lakhs (Previous Years-Rs 9.13 Lakhs).

Note No. 25 - Finance Costs

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
(a) Interest expense	4,315.70	3,975.91
(b) Other borrowing cost	4.79	6.84
(c) Other interest costs	129.83	63.39
Total finance costs	4,450.32	4,046.14
Less : Allocated to projects	(1,866.56)	(1,558.49)
Total finance costs	2,583.76	2,487.65

25 a. The interest is inventorised on borrowings referred to in Note- 14- A II. and in the ratio of undeveloped inventory to the total inventory.

25 b. The Other interest cost includes interest on cash credit Limit utilisation of Rs. 112.84 Lakhs for the year ended March 31, 2020 (Previous year- Rs. 56.75 Lakhs).

Note No. 26 - Other Expenses

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
(a) Rent including lease rentals	14.23	16.10
(b) Rates and taxes	3.57	2.85
(c) Insurance	21.86	15.10
(d) Repairs and Maintenance	22.16	20.65
(e) Electricity Charges	10.71	10.06
(f) Travelling & Conveyance	52.11	68.40
(g) Legal & Professional Fees	48.86	56.72
(h) Printing & Stationery	4.73	5.93
(i) Communication	6.36	7.99
(j) Advertisement, Marketing & Business Development	269.75	258.93
(k) Auditors Remuneration (refer note 26 (a))	17.93	16.68
(l) Expenditure on Corporate Social Responsibility	110.71	88.69
(m) Development Management Fees	126.72	113.74
(n) Miscellaneous Expenses	8.42	6.27
Total Gross Other Expenses	718.12	688.11
Less : Allocated to projects/Capitalised	(3.86)	(11.63)
Total Net Other Expenses	714.26	676.48

Note No. 26 (a) - Auditors Remuneration

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Payments to the auditors comprises:		
Statutory Audit	10.00	9.50
Other services	7.85	7.10
Reimbursement of expenses	0.08	0.08
Total	17.93	16.68

Note No. 27 - Current Tax and Deferred Tax Income Tax recognised in profit or loss

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Current Tax:		
In respect of current year	581.31	1,143.21
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	(40.93)	(355.55)
Total income tax expense on continuing operations	540.38	787.66

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

The total Income tax computation to be reconciled with your book profit.

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Profit before Tax.....	3,285.13	5,256.52
Income Tax @ 29.12% for the year...	956.63	1,530.70
Effect of expenses that is non-deductible in determining taxable profit :		
CSR Expense (net of deduction u/s 80G allowed)	27.51	7.65
Deduction u/s 80IAB.....	(365.59)	(970.21)
Others	(78.17)	219.52
Total	540.38	787.66
Income tax expense recognised in statement of profit and loss.....	540.38	787.66

Note No. 28 - Earnings per Share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Profit for the year attributable to owners of the Company.....	2,744.75	4,468.86
Weighted average number of equity shares (No's)	15,00,00,000	15,00,00,000
Basic and diluted earnings per share (In rupees per share) of Face Value- Rs. 10 Per Share	1.83	2.98

Note No. 29 - Segment information

The Company operates in only one business segment, i.e. 'lease of land and properties constructed thereon' based on the nature of the services and products, the risks and returns etc. This has been determined in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company who are regarded as Chief Operating Decision Maker ("CODM"). The Company operates only in India and considering that the conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

Note - 30 - Contingent liabilities and commitments

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(i) Contingent liabilities (to the extent not provided for)		
(a) Other Matters disputed:		
Shahri Jamabandi (Urban Assessment/Ground rent demanded by Jaipur Development Authority, Government of Rajasthan)	32,179.39	32,179.39

Note : The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals. No reimbursements are expected.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(b) Other money for which the Company is contingently liable (Income Tax Matter under appeal)	32.16	32.16
(c) Rajasthan Entry Tax	-	14.14
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

Note - 31 - Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(a) Dues remaining unpaid.....	46.05	13.82
- Principal	46.05	13.82
- Interest.....	-	-
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.....	-	-
(e) Amount of interest accrued and remaining unpaid	-	-
(i) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.		
(ii) There are no overdue amounts any time during the year and hence no interest amount is due or paid during the year.		

Note No. 32 - Leases

Ministry of corporate Affairs has notified Ind AS 116 "Leases" which is effective from 01st April, 2019. Pursuant to this, the company has applied this standard to all lease contracts existing on 01st April, 2019 using the retrospective approach with the cumulative effect at the date of initial application. The adoption of the Standard did not have any material impact to the financial results of the Company. Therefore, there is no effect of adopting Ind AS 116 on retained earnings as at 01st April, 2019. Thus, on transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and lease liability is NIL.

The Company has not applied the requirement of IND AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. Amount recognised in statement of Profit and Loss Account is Rs 15,12,640.

Details of operating leasing arrangements as lessor

The Company has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period of 2 to 3 years for the building and 9 yrs and 5 months for interiors from 2008 to 2020 and may be renewed for a further period of 2 terms of 5 years each based on mutual agreement of the parties.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Future minimum lease payments		
Not later than one year	64.40	425.27
Later than one year and not later than five years	-	179.24
Later than five years	-	-

Note No. 33 - Employee benefits

Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability

Longevity risk

The present value of 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 benefit 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.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	31 st March, 2020	31 st March, 2019
Discount rate(s)	6.77%	7.69%
Expected rate(s) of salary increase	9.00%	9.00%
Attrition Rate	5.00%	5.00%
Average Longevity	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate

Retirement age is assumed to be 60 years.

Defined benefit plans – As per Actuarial Valuation

Particulars	Defined Benefit Plan Gratuity	
	31 st March, 2020	31 st March, 2019
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	11.60	11.03
Net interest expense	4.15	3.92
Components of defined benefit costs recognised in profit or loss	15.75	14.95
Actuarial (Gain)/Loss on obligation	10.94	(9.72)

Particulars	Defined Benefit Plan Gratuity	
	31 st March, 2020	31 st March, 2019
Components of defined benefit costs recognised in other comprehensive income	10.94	(9.72)
Total	26.69	5.23
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31 st March	79.18	54.67
2. Surplus/(Deficit)	(79.18)	(54.67)
3. Current portion of the above	1.94	1.33
4. Non current portion of the above	77.24	53.34
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	54.67	54.86
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	11.60	11.03
- Interest Expense (Income) ...	4.15	3.92
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses):		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	2.46
ii. Financial Assumptions...	8.43	(1.19)
iii. Experience Adjustments...	2.51	(10.99)
5. Benefit payments	(2.18)	(5.42)
7. Present value of defined benefit obligation at the end of the year	79.18	54.67

The sensitivity of the defined benefit obligation to changes by in the weighted principal assumptions is:

Principal assumptions	Year	Impact on defined benefit obligation	
		Increase in assumption by 1%	Decrease in assumption by 1%
Discount rate	2020	70.08	89.89
	2019	48.29	62.19
Salary growth rate	2020	89.49	70.22
	2019	61.98	48.35

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

All amounts are in Lakhs unless otherwise stated
Note No. 34 - Related Party Transactions

Description of relationship		Names of related parties		Description of relationship		Names of related parties																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
Entities having joint control/ significant influence over Company		Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Fellow Subsidiaries		Mahindra World City Developers Limited	Mahindra Integrated Business Solutions Private Limited																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
		Mahindra Lifespace Developers Limited				Mahindra Susten Private Limited	Mahindra EPC Irrigation Industries Ltd																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
		Rajasthan State Industrial Development and Investment Corporation Limited				Mahindra Consulting Engineers Limited	Mahindra Holidays & Resorts India Limited																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
Key Management Personnel (KMP)		Mr. Sanjay Srivastava - Chief Executive Officer		Associate of Ultimate Holding Company		Tech Mahindra Limited																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
Details of transaction between the Company and its related parties are disclosed below:																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
		Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	State Industrial Development and Investment Corporation Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Consulting Engineers Limited	Tech Mahindra Limited	Mahindra Defence Systems Limited	Mahindra World City Developers Limited	Mahindra Industrial Private Limited	Mahindra EPC Irrigation Industries Ltd	Mr. Sanjay Srivastava																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
Nature of transactions with Related Parties	For the year ended																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
	Rendering of services	31-Mar-20	40.04	0.65		0.11	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12

Particulars	Balance as on	Mahindra & Mahindra Limited		Rajasthan State Industrial Development and Investment Corporation Limited		Mahindra Integrated Business Solutions Private Limited	
		Mahindra Lifespace Developers Limited	Mahindra Susten Private Limited (Formerly known as Mahindra EPC Services Private Limited)	Mahindra Consulting Engineers Limited	Tech Mahindra Limited	Mahindra Defence Systems Limited	Mahindra World City Developers Limited
Trade payables	31-Mar-20	1.74	232.71				
	31-Mar-19	6.10	20.70				
Loans & advances taken (MOU Advance)	31-Mar-20						
	31-Mar-19						
Trade Receivable	31-Mar-20	0.25	11.65				
	31-Mar-19	1.76					
Deposits Payables	31-Mar-20	8.40					
	31-Mar-19	8.40					
Advance / Deposit to Vendor	31-Mar-20						
	31-Mar-19						

Note: As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel is not ascertained separately, and therefore, not included above.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 35 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31 st March, 2020		31 st March, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost:				
- Trade Receivables	2,694.61	2,694.61	690.63	690.63
- Cash and Cash Equivalents	1,180.61	1,180.61	4,422.82	4,422.82
- Other Bank Balances	1,858.68	1,858.68	2,503.63	2,503.63
- Loans	116.06	116.06	112.92	112.92
- Other Financial Assets	27.66	27.66	89.57	89.57
Total financial assets	5,877.62	5,877.62	7,819.57	7,819.57
Financial liabilities				
Financial liabilities held at amortised cost:				
- Borrowings	18,245.64	18,245.64	22,599.23	22,599.23
- Trade Payables	1,449.35	1,449.35	1,240.77	1,240.77
- Other Financial Liabilities	12,815.23	12,815.23	9,645.72	9,645.72
Total	32,510.22	32,510.22	33,485.72	33,485.72

Note No. 36 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2020, 31 March 2019 is as follows:

	31 st March, 2020	31 st March, 2019
Debt (A)*	25,354.02	28,095.59
Equity (B)	30,425.21	30,399.52
Debt Equity Ratio (A/B)	0.83	0.92

* Debt includes Borrowings (Note No. 14 - Borrowings) and Current maturities of long-term debt (Note No. 15 - Other Financial Liabilities)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Categories of financial assets and financial liabilities

As at 31st March, 2020

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans.....	116.06			116.06
Current Assets				
Trade Receivables ...	2,694.61			2,694.61
Cash and Cash Equivalents.....	1,180.61			1,180.61
Other Bank Balances.....	1,858.68			1,858.68
Other Financial Assets.....				
- Non Derivative Financial Assets	27.66			27.66
Non-current Liabilities				
Borrowings.....	16,200.96			16,200.96
Other Financial Liabilities				
- Non Derivative Financial Liabilities.....	2.33			2.33
Current Liabilities				
Borrowings.....	2,044.68			2,044.68
Trade Payables	1,449.35			1,449.35
Other Financial Liabilities				
- Non Derivative Financial Liabilities.....	12,812.90			12,812.90

As at 31st March, 2019

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans.....	112.92			112.92
Current Assets				
Trade Receivables ...	690.63			690.63
Cash and Cash Equivalents.....	4,422.82			4,422.82
Other Bank Balances.....	2,503.63			2,503.63
Loans				
- Non Derivative Financial Assets	89.57			89.57
Non-current Liabilities				
Borrowings.....	22,580.71			22,580.71

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Other Financial Liabilities				
- Non Derivative Financial Liabilities	85.69			85.69
Current Liabilities				
Borrowings.....	18.52			18.52
Trade Payables	1,240.77			1,240.77
Other Financial Liabilities				
- Non Derivative Financial Liabilities	9,560.03			9,560.03

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counter party defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company enters into an agreement with each customer. The agreement has a termination clause by which the Company can terminate the agreement and secure the receivable. The trade receivables are also reviewed by the Management regularly and necessary actions are taken in order to collect any amount outstanding from customers. Being a Developer, a unit needs certain NOC and permission in respect of commencement and operation of the business and as per the agreement signed with customer, the developer gives the required NOC and permission after clearing the outstanding dues alongwith interest.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Customer creditworthiness is researched before leasing the land to ensure only credit worthiness of the clients.

The credit risk on liquid funds is limited because the counterparties are banks and debt mutual funds with high credit-ratings assigned.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	More than 5 years
Non-derivative financial liabilities				
31-Mar-20				
Non-interest bearing	1,408.44	—	—	*765.92
Trade payable	1,449.35	—	—	—
Loans repayable on demand from Bank	2,044.68			
Fixed interest rate instruments				
9.48% Redeemable Non Convertible Debentures	3,000.00		—	—
Redeemable Non Convertible Debentures.....	8,404.46	17,318.55	—	—
Total	16,306.93	17,318.55	—	765.92
31-Mar-19				
Non-interest bearing	1,724.54	—	—	*823.87
Trade payable	1,240.77	—	—	—
Loans repayable on demand from Bank.....	18.52			
Fixed interest rate instruments				
10.90% Redeemable Non Convertible Debentures	2,576.89	—	—	—
9.48% Redeemable Non Convertible Debentures	3,000.00	3,000.00	—	—
Redeemable Non Convertible Debentures.....	2,262.24	15,700.00	5,726.93	—
Total	10,822.96	18,700.00	5,726.93	823.87

* Security deposit payable on 17th August, 2105

Note No. 37 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of financial statements.

Note No. 38 - Previous Year Figures

The figures of previous years have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants

P. Shankar Raman
Partner
Place: Chennai
Date: April 17, 2020

For and on behalf of the Board of Directors

Maheswar Sahu
Director
(DIN : 00034051)

Sanjay Srivastava
Chief Executive Officer

Asfar Khan
Chief Financial Officer
Place: Jaipur
Date: April 17, 2020

Sangeeta Prasad
Director
(DIN : 02791944)

Bijal Parmar
Company Secretary

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Mahindra Integrated Township Limited**

Report on the Audit of the Ind AS Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Ind AS financial statements.

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 at the date of this Auditor's Report comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on Auditing specified under Section 143 (10) of the Act 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 Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 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 ("CARO 2016" / "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 Rule 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts which has any material foreseeable losses. The Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
Membership No. 204764
UDIN: 20204764AAAAAR2727

Place: Chennai
Date: 15 April, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Mahindra Integrated Township Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

The Board of Directors of the Company 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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, to the best of our information and according to the explanations given to us, 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 31st March, 2020, based on the criteria for internal financial control over financial reporting 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 **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
Membership No. 204764
UDIN: 20204764AAAAAR2727

Place: Chennai
Date: 15 April, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets (Property, Plant and Equipment (PPE)):
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE.
 - b) Most of the PPE were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all PPE at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of CARO 2016 is not applicable.
- ii. In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, , site visits by the Management and certification of extent of work completion by competent persons, are done at reasonable intervals and no material discrepancies were noticed on physical verification. In case of inventory of construction materials lying with vendors at sites, certificates confirming the inventory have been received of the stock held at balance sheet date.
- 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 Act and hence reporting under clause (iii) of CARO 2016 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year. There were no unclaimed deposits outstanding at any time during the year.
- vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and 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. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Goods and Services Tax (“GST”) and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund Income Tax, GST and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
 - c) There are no dues of Income Tax and GST as on 31st March, 2020 on account of disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and debenture holders. The Company has not taken any loans or borrowings from financial institutions and government.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) The money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such cases by the Management.
- xi. In our opinion and according to the information and explanation given to us, the Company has not paid / provided any managerial remuneration and accordingly reporting under clause (xi) of CARO 2016 is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of CARO 2016 is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial Statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
Membership No. 204764
UDIN: 20204764AAAAAR2727

Place: Chennai
Date: 15 April, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
I. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	3	24.53	36.08
(b) Financial Assets			
(i) Investments	5	6,629.48	6,629.48
(ii) Other Financial Assets	6	0.75	0.75
(c) Deferred Tax Assets	4	1,522.85	1,106.90
(d) Other Non-current Assets	7	403.99	420.46
Total Non-Current Assets		8,581.60	8,193.67
2. Current Assets			
(a) Inventories	8	11,263.26	8,682.93
(b) Financial Assets			
(i) Trade Receivables	9	827.76	323.74
(ii) Cash and Cash Equivalents	10	148.22	43.37
(iii) Bank balances other than (ii) above	10	366.00	421.80
(iv) Other Financial Assets	6	17.72	7.73
(c) Other Current Assets	7	937.08	775.04
Total Current Assets		13,560.04	10,254.61
Total Assets		22,141.64	18,448.28
II. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	11	5,000.00	5,043.50
(b) Other Equity	12	1,806.73	2,863.51
Total Equity		6,806.73	7,907.01
Liabilities			
2. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	3,000.00	2,497.34
(ii) Other Financial Liabilities	14	—	263.77
(b) Provisions	17	80.06	—
Total Non-Current Liabilities		3,080.06	2,761.11
3. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	3,882.39	2,460.71
(ii) Trade Payables			
total outstanding dues of micro enterprises and small enterprises	16	—	55.06
total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,399.47	915.77
(iii) Other Financial Liabilities	14	3,154.40	3,144.28
(b) Provisions	17	38.40	30.93
(c) Other Current Liabilities	18	3,780.19	1,173.41
Total Current Liabilities		12,254.85	7,780.16
Total Liabilities		15,334.91	10,541.27
Total Equity & Liabilities		22,141.64	18,448.28

Summary of Significant Accounting Policies

2

The accompanying notes 1 to 35 are an integral part of these financial statements

In terms of our report of even date

For and on behalf of the board of directors of Mahindra Integrated Township Limited

For **B. K. Khare & Co.,**
Chartered Accountants**T Sivaranjan kumar**
Chief Financial Officer**Vimal Agarwal**
Non-Executive Non-Independent Director
(DIN: 07296320)**P. Shankar Raman**
Partner**Ankit Shah**
Company Secretary**Sangeeta Prasad**
Chairperson
(DIN: 02791944)**R. Santhanam**
(DIN: 00237740)
M. S. Jagan
(DIN: 02002827)

} Independent Director

Place: Chennai
Date: 15th April, 2020Place: Mumbai
Date: 15th April, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	Year ended 31 st March, 2020	Year ended 31 st March, 2019
REVENUE			
Revenue from operations.....	19	143.62	629.42
Other Income.....	20	182.41	687.78
Total Income		326.03	1,317.20
EXPENSES			
Cost of Sales	21	39.72	358.58
Employee benefits expense.....	22	279.65	–
Finance costs	23	751.00	710.13
Depreciation and amortisation expense.....	3	11.55	12.17
Other expenses	24	578.67	1,172.41
Total Expenses		1,660.59	2,253.29
Loss before tax		(1,334.56)	(936.09)
Tax Expense			
Tax Expense relating to Earlier Year.....	4	28.18	–
Deferred Tax	4	(412.79)	(433.02)
Total tax credit		(384.61)	(433.02)
Loss after tax		(949.95)	(503.07)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans.....		(10.23)	–
(b) Income tax relating to Items that will not be reclassified to profit or loss		3.16	–
Total Other Comprehensive Loss		(7.07)	–
Total Comprehensive Loss		(957.02)	(503.07)
Earnings per equity share (face value of Rs. 10/- each)			
Basic/Diluted in Rs.	26	(1.88)	(1.00)

Summary of Significant Accounting Policies

2

The accompanying notes 1 to 35 are an integral part of these financial statements

In terms of our report of even date

For **B. K. Khare & Co.,**
Chartered Accountants**T Sivaranjan kumar**
Chief Financial Officer

For and on behalf of the board of directors of Mahindra Integrated Township Limited

Vimal AgarwalNon-Executive Non-Independent Director
(DIN: 07296320)**P. Shankar Raman**
Partner**Ankit Shah**
Company Secretary**Sangeeta Prasad**
Chairperson
(DIN: 02791944)**R. Santhanam**
(DIN: 00237740)
M. S. Jagan
(DIN: 02002827)

} Independent Director

Place: Chennai
Date: 15th April, 2020Place: Mumbai
Date: 15th April, 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Cash flows from operating activities		
Loss before tax for the year	(1,334.56)	(936.09)
Adjustments for:		
Finance costs recognised in profit and loss	751.00	710.13
Dividend Income	(157.00)	(580.00)
Interest Income	(21.15)	(89.11)
Depreciation and amortisation expense	11.55	12.17
Operating Loss before working capital changes	(750.16)	(882.90)
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	(504.02)	51.47
Increase in inventories	(2,467.33)	(1,217.61)
Increase in other assets	(162.04)	(320.31)
Decrease/(Increase) in other non current assets	0.30	(1.80)
Increase in trade and other payables	428.64	195.05
Increase/(Decrease) in amounts due to customers	18.13	(1.94)
Decrease in Other Financial Liabilities	(23.49)	(90.10)
Increase/(Decrease) in provisions	77.30	(11.00)
Increase in deferred revenue	2,522.50	50.61
Increase in other liabilities	47.30	5.95
Cash used in operations	(812.87)	(2,222.58)
Income taxes paid	(12.01)	(58.72)
Net cash used in operating activities	(824.88)	(2,281.30)
Cash flows from investing activities		
Dividends received from Subsidiary	157.00	580.00
Fixed Deposits - not considered as cash and cash equivalents redeemed/(placed)	-	2,529.59
Bank balances not considered as Cash and Cash Equivalents	55.80	(253.01)
Interest received	11.16	81.38
Net cash generated from investing activities	223.96	2,937.96
Cash flows from financing activities		
Proceeds from Short term borrowings (net)	26.68	2,460.71
Equity Dividend Paid	-	(580.00)
Buy Back of Shares	(124.41)	-
Repayment of long term borrowings	(2,500.00)	(2,499.22)
Proceeds from long term borrowings	3,000.00	-
ICD's from Related parties	1,495.00	-
Repayment of ICD's to Related parties	(100.00)	-
Interest paid	(1,091.50)	(824.93)
Net cash generated from / (used) in financing activities	705.77	(1,443.44)
Net increase/(decrease) in cash and cash equivalents	104.85	(786.78)
Cash and cash equivalents at the beginning of the year	43.37	830.15
Cash and Cash equivalents at the end of the year (Refer Note 10)	148.22	43.37

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

Summary of Significant Accounting Policies

The accompanying notes 1 to 39 are an integral part of these financial statements

Change in Liabilities arising from financing activities

Particulars	As at Other adjustments		(Rs in lakhs)	
	1 st April, 2019	during the year	Cash Flow	31 st March, 2020
Non Current Borrowings (Non-Current portion) - Refer Note 13	2,497.34	(2,497.34)	3,000.00	3,000.00
Current Borrowings (Refer Note 15)	2,460.71		1,421.68	3,882.39
Current Maturities of Long Term Borrowings (Refer Note 14)	2,499.25	2,499.96	(2,500.00)	2,499.21
Total	7,457.30	2.62	1,921.68	9,381.60

Summary of Significant Accounting Policies

2

The accompanying notes 1 to 35 are an integral part of these financial statements

In terms of our report of even dateFor **B. K. Khare & Co.,**
Chartered Accountants**T Sivarajan kumar**
Chief Financial Officer**For and on behalf of the board of directors of Mahindra Integrated Township Limited****Vimal Agarwal**
Non-Executive Non-Independent Director
(DIN: 07296320)**P. Shankar Raman**
Partner**Ankit Shah**
Company Secretary**Sangeeta Prasad**
Chairperson
(DIN: 02791944)**R. Santhanam**
(DIN: 00237740)
M. S. Jagan
(DIN: 02002827)

Independent Director

Place: Chennai
Date: 15th April, 2020Place: Mumbai
Date: 15th April, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Share Capital	Capital Redemption Reserve	Other Equity		Total
	Equity Share Capital		Debenture Redemption Reserve	Retained Earnings	
Balance as at 1st April, 2018	5,043.50	–	1,468.74	2,674.98	9,187.22
INDAS 115 Opening Reserve Adjustment (net of tax) (Refer Note no. 19).....				(197.14)	(197.14)
Loss for the year.....				(503.07)	(503.07)
Dividend paid on Equity Shares.....				(580.00)	(580.00)
Balance as at 31st March, 2019	5,043.50	–	1,468.74	1,394.77	7,907.01

Particulars	Share Capital	Capital Redemption Reserve	Other Equity		Total
	Equity Share Capital		Debenture Redemption Reserve	Retained Earnings	
Balance as at 1st April, 2019	5,043.50	–	1,468.74	1,394.77	7,907.01
Loss for the year.....				(949.95)	(949.95)
Other Comprehensive Income				(7.07)	(7.07)
Buy Back of Share.....	(43.50)			(80.91)	(124.41)
Buy Back tax.....				(18.85)	(18.85)
Transfer to Capital Redemption Reserve (Refer Note no 11(i)).....		43.50		(43.50)	–
Transfer of Debenture Redemption Reserve (Refer Note no 12b).....			(1,218.74)	1,218.74	–
Balance as at 31st March, 2020	5,000.00	43.50	250.00	1,513.23	6,806.73

Summary of Significant Accounting Policies

2

The accompanying notes 1 to 35 are an integral part of these financial statements

In terms of our report of even date

For **B. K. Khare & Co.,**
Chartered Accountants**T Sivaranjan kumar**
Chief Financial Officer

For and on behalf of the board of directors of Mahindra Integrated Township Limited

Vimal Agarwal
Non-Executive Non-Independent Director
(DIN: 07296320)**P. Shankar Raman**
Partner**Ankit Shah**
Company Secretary**Sangeeta Prasad**
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(DIN: 02791944)**R. Santhanam**
(DIN: 00237740)
M. S. Jagan
(DIN: 02002827)

} Independent Director

Place: Chennai
Date: 15th April, 2020Place: Mumbai
Date: 15th April, 2020

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

1. General Information

Mahindra Integrated Township Limited ("the Company") was incorporated on June 26, 1996.

The Company is a Co-developer, approved under Special Economic Zone Act, 2005, engaged in development of township including residential infrastructure in Mahindra World City SEZ and giving it on perpetual lease. The address of its registered office and principal place of business is Administrative Block, Central Avenue, Mahindra World City, Chengalpet, Kancheepuram – 603 002.

The level of activity carried out by the Company depends on the number of projects handled and accordingly the revenue from operations may not be comparable on a year-to-year basis.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provision of the Act.

The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in their meeting held on 15th April, 2020.

2.2 Basis of measurement

2.2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2.2 Exemption from preparation of consolidated financial statements

The Company has investments in a subsidiary. The Holding company, Mahindra Lifespaces Developers Limited, having its registered office at 5th floor, Mahindra Towers, Worli, Mumbai 400 018 are presenting the consolidated financial statements. The Company has therefore availed the exemption under paragraph 4(a) of Ind AS 110 and have satisfied the conditions for exemption from preparing consolidated financial statements as per Companies (Accounts) Amendments Rules, 2016 and thereby does not present consolidated financial statements.

Consequently, the accounting policies mentioned herein relate to the standalone financial statements of the Company.

2.2.3 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as applicable.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.3 Revenue from Contracts and Customers

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.3.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

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

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.3.2 Revenue from sale of Land

Revenue from Sale of land is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115

2.3.3 Revenue from Project Management Fees

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/ agreement. Where the fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

2.3.4 Contract Costs

Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.3.5 Significant accounting judgements, estimates and assumptions

2.3.5.1 Determining the timing of revenue recognition on the sale of completed and under development property

The Company has evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has concluded that the over-time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

2.3.5.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

2.3.6 Dividend and interest income

Dividend income from investments in subsidiary company / mutual funds is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Current versus non-current classification

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

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non-Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

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

The Company classifies all other liabilities as non-current.

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

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.6 Foreign currencies

Transactions in foreign currencies i.e. other than the Company's functional currency are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

2.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

2.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9 Property, plant and equipment (PPE)

PPE are stated in the balance sheet at cost less accumulated depreciation.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. PPE held for disposal are valued at estimated net realizable value.

Depreciation on PPE has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Lease hold improvements are amortised over the period of lease/estimated period of lease.

2.10 Impairment of PPE

At the end of each reporting period, the Company reviews the carrying amounts of its PPE to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest and manpower costs and expenses incidental to the projects undertaken by the Company.

2.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the

reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Contingent liabilities

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.14 Employee Benefits

Employee benefits include provident fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Long term Compensated Absences & Gratuity

Company's liability towards long term compensated absences are determined by independent actuaries, using the projected unit credit method.

Company's liability towards gratuity are determined by independent actuaries, using the projected unit credit method. Past services are recognised at the earlier of the plan amendment/curtailment and the recognition of related restructuring costs/termination benefits.

The obligation on long term compensated absences and defined benefit plans are measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the obligation.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period. Remeasurement gains or losses on long term compensated absences that are classified as other long-term benefits are recognised in profit or loss.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

2.15.1 Classification and subsequent measurement

2.15.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long term strategic purpose.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

2.15.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.15.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.16 Earnings per Share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.17 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Judgements

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

Determination of the timing of revenue recognition on the sale of completed and under development property

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after considering inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

Note No. 3 - Property, Plant and Equipment

Description of Assets	Office Equipments	Furniture and Fixtures	Computers	Electrical Installations	Total
I. Gross Carrying Amount					
Balance as at 1 st April, 2018.....	19.30	71.07	2.06	10.10	102.53
Additions	–	–	–	–	–
Balance as at 31st March, 2019.....	19.30	71.07	2.06	10.10	102.53
II. Accumulated depreciation					
Balance as at 1 st April, 2018.....	10.40	38.87	2.06	2.95	54.28
Depreciation expense for the year	3.06	8.10	–	1.01	12.17
Balance as at 31st March, 2019.....	13.46	46.97	2.06	3.96	66.45
III. Net carrying amount (I-II)	5.84	24.10	–	6.14	36.08

Description of Assets	Office Equipments	Furniture and Fixtures	Computers	Electrical Installations	Total
I. Gross Carrying Amount					
Balance as at 1 st April, 2019.....	19.30	71.07	2.06	10.10	102.53
Additions	–	–	–	–	–
Balance as at 31st March, 2020.....	19.30	71.07	2.06	10.10	102.53
II. Accumulated depreciation					
Balance as at 1 st April, 2019.....	13.46	46.97	2.06	3.96	66.45
Depreciation expense for the year	2.85	7.69	–	1.01	11.55
Balance as at 31st March, 2020.....	16.31	54.66	2.06	4.97	78.00
III. Net carrying amount (I-II)	2.99	16.41	–	5.13	24.53

Refer Note 2 for company's policy on Recognition and measurement of Property, Plant and Equipment and Depreciation methods used.

Note No. 4a - Current Tax and Deferred Tax**(a) Income Tax recognised in profit or loss**

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Current Tax:		
In respect of current year	–	–
In respect of prior years.....	28.18	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	(412.79)	(433.02)
Total	(384.61)	(433.02)

(b) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit or Loss is as follows:

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Loss before tax.....	(1,334.56)	(936.09)
Income tax expense calculated at 29.12% ...	(388.62)	(272.59)
Effect of income that is exempt from taxation.....	(45.72)	(168.90)
Effect of expenses that is non deductible in determining taxable profit	20.74	26.20
Deduction under Chapter VI A	0.63	(2.70)
MAT Credit Availment	–	(15.03)
Income tax credit recognised in profit or loss	(412.97)	(433.02)

Note No. 4b - Deferred Tax Assets

Particulars	Opening Balance	Impact in Opening Retained Earnings (Refer Note No. 19)	For the Year ended 31 st March, 2020 Recognised in profit and Loss	Recognised in other comprehensive income	Closing Balance
Tax impact of adjustment pursuant INDAS 115 (Refer Note no. 19)	514.01	–	412.79	3.16	929.96
Minimum Alternate Tax (MAT)	592.89	–	–	–	592.89
Net Deferred Tax Asset	1,106.90	–	412.79	3.16	1,522.85
Particulars	Opening Balance	Impact in Opening Retained Earnings (Refer Note No. 19)	For the Year ended 31 st March, 2019 Recognised in profit and Loss	Recognised in other comprehensive income	Closing Balance
Tax impact of adjustment pursuant INDAS 115 (Refer Note no. 19)	–	80.99	433.02	–	514.01
Minimum Alternate Tax (MAT)	592.89	–	–	–	592.89
Net Deferred Tax Asset	592.89	80.99	433.02	–	1,106.90

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

Note No. 5 - Investments

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
A. Cost				
Unquoted Investments (all fully paid)				
Investments in Equity Instruments				
- of Subsidiaries				
- Mahindra Residential Developers Limited -2,50,000 Equity Shares Face value of Rs.10/-each	-	6,629.48	-	6,629.48
INVESTMENTS CARRIED AT COST	-	6,629.48	-	6,629.48
Other disclosures				
Aggregate amount of unquoted investments	-	6,629.48	-	6,629.48

Note No. 6 - Other Financial Assets

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
a) Security Deposits				
- Unsecured, considered good	-	0.75	-	0.75
TOTAL (a)	-	0.75	-	0.75
b) Interest Receivable				
- Interest accrued on deposits, loans and advances	17.72	-	7.73	-
TOTAL (b)	17.72	-	7.73	-
GRAND TOTAL	17.72	0.75	7.73	0.75

Note No. 7 - Other Assets

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	822.20		633.04	
(ii) Other advances (Mobilisation & Material Advances to Contractors) ...	74.88		128.82	
(b) Advance income tax (Net of Provision for Tax FY 2019-20 Rs. 1,197.74 lakhs, FY 2018-19 Rs. 1,169.56 lakhs)		326.44		342.61
(c) Security Deposit				
- Unsecured, considered good	-	77.55	-	77.85
(d) Prepaid Expenses	40.00		13.18	
	937.08	403.99	775.04	420.46

Note No. 8 - Inventories

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
Construction Materials	575.97		165.42	
Construction Work-in-progress*	10,687.29		8,477.80	
Finished goods	-		39.71	
Total Inventories (at lower of cost and net realisable value)	11,263.26		8,682.93	

*Construction Work-in-Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

Construction Materials primarily comprises of Steel, Cement, Chrome plated & Sanitary Fixtures and UPVC windows which are used for construction activities.

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs.39.72 lakhs (31st March, 2019: 358.58 lakhs).

The Company has availed cash credit facilities, Term Loan and borrowed through Non-Convertible Debentures, which are secured by hypothecation of inventories.

Based on detailed assessment and evaluation of impact of the COVID-19 epidemic, the management concluded that realisable value of these inventories will not be lower than the carrying value .

Note No. 9 - Trade Receivables

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
Trade receivables				
- Unsecured, considered good	827.76	-	323.74	-
TOTAL	827.76	-	323.74	-
Of the above, trade receivables from:				
- Related Parties	-	-	4.66	-
- Others	827.76	-	319.08	-
TOTAL	827.76	-	323.74	-

Refer Note 28 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

The average credit period in the range of 7-31 days on lease of residential property as per the agreement with customers.

Note No. 10 - Cash and Bank Balances

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
Cash and cash equivalents				
(a) Cheques on hand	-		25.36	
(b) Balances with banks				
In Current Accounts	148.22		18.01	
Total Cash and cash equivalent (considered in Statement of Cash Flows)	148.22		43.37	
Bank Balances other than Cash and cash equivalents				
in Current Accounts - earmarked *	186.00		241.80	
- Earmarked Deposit account with scheduled banks #	180.00		180.00	
Total Other Bank balances	366.00		421.80	

* Required to be set aside and kept in separate bank account under Tamil Nadu Real Estate (Regulation and Development) Act, 2016.

Earmarked balances with banks refers to Fixed Deposits with bank created out of Corpus and Advance maintenance Charges collected from customers. .

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

Note No. 11 - Equity Share Capital

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	6,00,00,000	6,000.00	6,00,00,000	6,000.00
Issued, Subscribed and Fully Paidup:				
Equity shares of Rs. 10 each with voting rights #	5,00,00,000	5,000.00	5,04,35,000	5,043.50
Total	5,00,00,000	5,000.00	5,04,35,000	5,043.50

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Fresh Issue	Bonus	Buy back of shares #	Closing Balance
Equity Shares with Voting rights*					
Year Ended 31 st March, 2020					
No. of Shares.....	5,04,35,000	—	—	4,35,000	5,00,00,000
Amount in Lakhs	5,043.50	—	—	43.50	5,000.00
Year Ended 31 st March, 2019					
No. of Shares.....	5,04,35,000	—	—	—	5,04,35,000
Amount in Lakhs	5,043.50	—	—	—	5,043.50

* **Terms/ rights attached to equity shares:** The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

In the Board meeting held on 23rd January, 2020, the Board of Directors of the Company had approved the proposal for buy-back of 435,000 Equity Shares at Rs 28.60 per equity share aggregating to Rs 124.41, in accordance with Article 79 of the Articles of Association of the Company, and subject to such other approvals, permissions and sanctions of Registrar of Companies, Chennai and / or other authorities, institutions or bodies, as may be necessary. The buy back was completed on 26th March, 2020 after obtaining all approvals and the necessary forms were filed with the Statutory authorities. Post buyback, the paid up capital of the Company reduced from Rs. 5,043.50 lakhs to Rs. 5,000.00 lakhs. Consequent to the buy back and as required by Section 69 of Companies Act, 2013, an amount of Rs. 43.50 lakhs was transferred to Capital Redemption Reserve Account (Refer Note 12a). The buyback was made out of reserves of the Company.

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 st March, 2020		As at 31 st March, 2019		Particulars	No. of Shares Equity Shares with Voting rights	No. of Shares Equity Shares with Differential Voting rights	Others
	No.	% holding in the class	No.	% holding in the class				
Equity shares with voting rights:-					As at 31st March, 2019			
Mahindra Lifespace Developers Limited, Holding Company	3,70,00,000	74.00%	3,70,00,000	73.36%	Mahindra Lifespace Developers Limited, the Holding Company	3,70,00,000	—	—
Mahindra World City Developers Limited, Joint Venture of Holding Company	1,30,00,000	26.00%	1,30,00,000	25.78%	Joint Venture of the holding company-Mahindra World City Developers Ltd.....	1,30,00,000	—	—

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares		Others	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights				
As at 31st March, 2020				Note No. 12(a) -Other Equity		
Mahindra Lifespace Developers Limited, the Holding Company.....	3,70,00,000	—	—	Retained earnings.....	1,513.23	1,394.77
Joint Venture of the holding company- Mahindra World City Developers Ltd..	1,30,00,000	—	—	Debenture Redemption Reserve.....	250.00	1,468.74
				Capital Redemption Reserve.....	43.50	—
				Total Other Equity	1,806.73	2,863.51

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

Note No. 12 (b) - Other Equity

	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2019	–	1,468.74	1,394.77	2,863.51
Loss for the year			(949.95)	(949.95)
Other Comprehensive loss for the year			(7.07)	(7.07)
Buy Back of Shares			(80.91)	(80.91)
Buy Back Tax			(18.85)	(18.85)
Transfer from Debenture Redemption Reserve.....		(1,218.74)	1,218.74	–
Transfer to Capital Redemption Reserve (Refer note no 11(i))	43.50		(43.50)	(43.50)
Balance as at 31st March, 2020	43.50	250.00	1,513.23	1,806.73

Retained Earnings: This reserve represents cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.**Debenture Redemption Reserve (DRR):** A debenture redemption reserve is a provision created against issue of debentures to protect investors against the possibility of default by the company. The Company evaluated the DRR required as on March 31, 2020 based on the notification GSR 127(E), dated 19 August 2019, and the surplus of Rs.1,218.74 lakhs has been written back to retained earnings.**Capital Redemption Reserve:** The Capital Redemption Reserve is created against Buy Back of shares.**Note No. 13 - Non-Current Borrowings**

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Measured at amortised cost		
Secured Borrowings:		
Non-Convertible Debentures	–	2,497.34
(refer to sub note(ii) below)	3,000.00	
Term Loan (refer to sub note(iii) below)		
Total Borrowings	3,000.00	2,497.34

i) Details of Long term Borrowings of the Company:

Description of the instrument	Effective Interest Rate used for Discounting Cashflows	Date of Redemption	Amortised cost as at 31 st March, 2020	Amortised cost as at 31 st March, 2019
Fully Redeemable (All loans taken in INR)				
1. Non Convertible Debentures	9.68%	31-08-2018	–	–
2. Non Convertible Debentures	9.68%	31-08-2019	–	2,499.25
3. Non Convertible Debentures	9.68%	31-08-2020	2,499.21	2,497.34
Total			2,499.21	4,996.59

ii) Non-Convertible Debentures(Secured)**The Terms and conditions of the Secured Non Convertible Debentures issued by the Company are summarised below**

Series	I	II	III
Face Value of the Debentures (Rs in lakhs).....	2,500.00	2,500.00	2,500.00
Total Redemption Premium (Rs in lakhs).....	214.32	299.64	393.68
Rate of Interest Payable Annually.....	7%	7%	7%
Maturity Date (one time repayment in full including Redemption Premium).....	31-Aug-2018	31-Aug-2019	31-Aug-2020

The above Debentures are secured by first ranking pari passu mortgage and charge on specific lands of the Company. The carrying value of these specific Lands is Rs.754.59 Lakhs and is shown as part of "work in Progress" in Inventories Schedule, Refer note No.8. Current maturities in respect of long term borrowings - fully redeemable Non-Convertible debentures have been included in Note 14.

iii) Term Loan (Secured)

Term loan is taken from Axis Bank in the month of August 2019 for a tenure of 3 years, repayable in 2 equal installments starting from 24th month of disbursement. The term loan is secured by first ranking pari passu charge on specific lands of the company. The carrying value of these Lands is Rs. 592.67 lakhs and is shown as part of "work in progress" in Inventories Schedule, refer note no. 8. The interest is 1 yr MCLR+0.25% which is 9.25% as on 31.03.2020 payable at monthly installments.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

Note No. 14 - Other Financial Liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Non Current		
Interest Accrued and not due on borrowings (Redemption Premium).....	–	263.77
	–	263.77
Current		
Current maturities of long term debt (Refer Note 13(ii))	2,499.21	2,499.25
Interest accrued		
Interest Accrued and Not due on borrowings ...	148.11	203.29
Redemption Premium payable on non convertible debentures	354.44	263.74
Other liabilities		
Deposits from customers*	152.64	178.00
Total Other financial liabilities	3,154.40	3,144.28

* refers to amount collected from customers towards "Advance maintenance and Corpus fund" net off amount receivable. Out of the funds collected, the Company has invested in earmarked deposit accounts with banks (Refer Note 10)

Note No. 15 - Current Borrowings

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
A. Secured Borrowings at amortised cost		
From Banks- Cash Credit Facility.....	2,487.39	2,460.71
Total Secured Borrowings	2,487.39	2,460.71
B. Unsecured Borrowings		
Loans from related parties (Refer note no. 30)	1,395.00	–
Total Unsecured Borrowings.....	1,395.00	–
Total Current Borrowings	3,882.39	2,460.71

Secured Borrowings: The Cash Credit Limit from HDFC Bank Ltd for Rs. 43 crs @ Bank Base Rate + 0.25% p.a. payable on a monthly basis. This facility is secured by hypothecation of book debts and Work in progress.

Unsecured Borrowings: The Loan is taken from M/s Mahindra Residential Developers Limited @ 9.5% pa payable on demand.

Note No. 16 - Trade Payables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Trade Payables		
total outstanding dues of micro enterprises and small enterprises (Refer Note 35 (i)).....	–	55.06
total outstanding dues of creditors other than micro enterprises and small enterprises.....	1,268.31	868.25
Retention Amounts payable.....	131.16	47.52
Total Trade payables.....	1,399.47	970.83

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

The average credit period in the range of 7-31 days as per the agreement with Contractors/Suppliers.

Note No. 17 - Provisions

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Non Current Provisions		
Gratuity	47.81	–
Leave Encashment.....	32.25	–
Total Non Current Provisions.....	80.06	–
Non Current Provisions		
Gratuity	5.53	–
Leave Encashment.....	4.23	–
Defect Liability Provision.....	28.64	30.93
Total Current Provisions.....	38.40	30.93

Details of movement in Other Provisions is as follows:

Particulars	Defect Liability Provision
Balance at 1st April, 2018	44.16
Adjustment as per IND AS 115.....	(2.23)
Additional provisions recognised.....	1.91
Amounts used during the year.....	(12.91)
Balance at 31st March, 2019.....	30.93
Balance at 1st April, 2019	30.93
Additional provisions recognised.....	0.31
Amounts used during the year	(2.60)
Balance at 31st March, 2020.....	28.64

Defect Liability Provision:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units given under perpetual lease, the estimated cost of which is accrued during the period of construction, upon lease of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a defect liability period limited to 5 year from the date of handover of residential units. It is expected that most of these costs will be incurred within two years after the reporting date.

Note No. 18 - Other Current Liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a. Advances received from customers	439.30	421.17
b. Deferred Revenue		
– Other Deferred Revenues	3,256.44	733.94
c. Employee related dues	42.88	–
d. Statutory dues		
– taxes payable (other than income taxes)...	41.57	18.30
Total Other Current Liabilities.....	3,780.19	1,173.41

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

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Note No. 19 - Revenue from Operations

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Income from Projects (Refer note no: 32)....	58.92	629.42
Income From Project Management	84.70	—
Total Revenue from Operations	143.62	629.42

Note No. 20 - Other Income

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Interest Income	21.15	100.18
Bank Deposits	21.15	89.11
Others	—	11.07
Guarantee Commission	—	1.67
Cancellation / Transfer income	—	5.93
Dividend from Subsidiary Company	157.00	580.00
Other Income	4.26	—
Total Other Income	182.41	687.78

Note No. 21- Cost of Sales**Cost of Projects**

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
<u>Inventories at the beginning of the year:</u>		
Finished goods	39.71	—
Transitional adjustment INDAS 115 - (Refer Note no. 19)	—	398.29
Construction Work-in-progress	8,477.80	7,016.83
Stock-in-trade	165.42	50.20
 Add: Expenses Incurred during the year		
Land and Construction Costs	2,278.75	1,137.97
Architect & Consultant Fees	27.76	113.77
Project Management Fees	195.72	247.03
Other Expenses	4.82	77.42
Borrowing Costs Inventorised	113.00	—

Inventories at the end of the year:

Finished goods	—	(39.71)
Construction Work-in-progress	(10,687.29)	(8,477.80)
Stock-in-trade	(575.97)	(165.42)
Total	39.72	358.58

Note No. 22 - Employee Benefits Expense

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Salaries and wages including bonus	254.37	—
Contributions to provident and other funds	15.91	—
Staff welfare expenses	9.37	—
Total Employee Benefits Expense	279.65	—

Note No. 23 - Finance Costs

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
(a) Interest Costs	858.10	710.13
Less: Borrowing costs inventorised*	(113.00)	—
Interest expenses for financial liabilities at amortised cost		
(b) Other borrowing costs	5.90	—
Total Finance Costs	751.00	710.13

Note No. 24 - Other Expenses

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Rent including lease rentals	4.73	4.38
Rates & Taxes	1.10	75.77
Repairs and maintenance - Others	225.76	217.76
Advertisement and Marketing	160.89	458.19
Commission on sales / contracts (net)	2.46	5.99
Expenditure on Corporate Social Responsibility*	4.31	18.58
Defect Liability	0.31	1.91
Staff Deputation Costs	55.91	289.75
Auditors remuneration and out-of-pocket expenses	13.00	12.49
As Auditors	11.00	10.45
For Other services	2.00	1.90
For reimbursement of expenses	—	0.14
Legal and other professional costs	85.40	38.53
Other General Expenses	24.80	49.06
Total Other Expenses	578.67	1,172.41

* Details of expenditure on Corporate Social Responsibility

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Education/Health	2.15	—
Contribution to approved NGO (Nanhi Kali foundation)	2.16	18.58
Total CSR Expense	4.31	18.58

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

Note No. 25 - Segment information**Business segments**

The Company operates in only one business segment, i.e. 'lease of residential property constructed' based on the nature of the services and products, the risks and returns etc. This has been determined in the manner consistent with the internal reporting provided to the Chairperson regarded as the Chief Operating Decision Maker ("CODM"). The Company operates only in India. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

Note No. 26- Earnings per Share**Basic earnings per share**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Loss for the year attributable to owners of the Company.....	(949.95)	(503.07)
Weighted average number of equity shares (in nos).....	5,04,27,869	5,04,35,000
Basic and Diluted Earning per share (in face value of Rs. 10/- per share) (in Rs.).....	(1.88)	(1.00)

Note No. 27 - Disclosure of interest in Subsidiaries

(a) Details of the Company's subsidiary at the end of the reporting period are as follows:

Name of the Subsidiary	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Company		Quoted (Y/N)
			31 st March, 2020	31 st March, 2019	
Mahindra Residential Developers Limited	Development of Residential Unit	Chennai	100%	100%	No

(b) Summarised financial information in respect of Company's subsidiary. The summarised financial information below represents amounts before intragroup eliminations.

Particulars	Mahindra Residential Developers Limited	
	31 st March, 2020	31 st March, 2019
Current Assets	10,364.93	11,636.45
Non Current Assets	1,004.32	1,029.07
Current Liabilities	2,230.31	3,939.86
Equity Interest Attributable to the owners	9,138.94	8,725.66
Revenue	5,676.30	3,754.29
Expenses.....	4,834.47	3,223.37
Profit before tax for the year	841.83	530.92
Profit after tax attributable to the owners of the Company.....	602.55	577.83
Net Cash Flow from operating activities.....	3,055.43	1,297.48
Net Cash Flow/(used in) from investing activities.....	(4,368.07)	766.28
Net Cash Flow used in financing activities	(224.72)	(747.62)
Net Cash inflow.....	(1,537.36)	1,316.14

Note No. 28 - Financial Instruments**Capital management**

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total debt divided by total equity. Total liabilities and total equity are based on the amounts stated in the financial statements.

The Company is not subject to externally enforced regulation.

Debt-to-equity ratio as of 31st March, 2020 and 31st March, 2019 is as follows:

	31 st March, 2020	31 st March, 2019
Debt (A).....	9,381.60	7,457.30
Equity (B).....	6,806.73	7,907.01
Debt Equity Ratio (A/B)	1.38	0.94

Categories of financial assets and financial liabilities

Particulars	As at 31 st March, 2020			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	6,629.48	—	—	6,629.48
Other Financial Assets	0.75	—	—	0.75
Current Assets				
Trade Receivables.....	827.76	—	—	827.76
Cash and Cash equivalents..	148.22	—	—	148.22
Bank Balances other than above	366.00	—	—	366.00
Other Financial Assets	17.72	—	—	17.72
	<u>7,989.93</u>	<u>—</u>	<u>—</u>	<u>7,989.93</u>
Non-current Liabilities				
Borrowings.....	3,000.00	—	—	3,000.00
Other Financial Liabilities.....	—	—	—	—

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

Particulars	Amortised Costs	As at 31 st March, 2020		
		FVTPL	FVOCI	Total
Current Liabilities				
Borrowings	3,882.39	—	—	3,882.39
Current maturities of long term debt	2,499.21	—	—	2,499.21
Trade Payables	1,399.47	—	—	1,399.47
Other Financial Liabilities				—
- Non Derivative Financial Liabilities	655.19	—	—	655.19
	<u>11,436.26</u>	<u>—</u>	<u>—</u>	<u>11,436.26</u>

Particulars	Amortised Costs	As at 31 st March, 2019		
		FVTPL	FVOCI	Total
Non-current Assets				
Investments	6,629.48	—	—	6,629.48
Other Financial Assets	0.75	—	—	0.75
Current Assets				
Trade Receivables	323.74	—	—	323.74
Cash and Cash equivalents ..	43.37	—	—	43.37
Bank Balances other than above	421.80	—	—	421.80
Other Financial Assets	7.73	—	—	7.73
	<u>7,426.87</u>	<u>—</u>	<u>—</u>	<u>7,426.87</u>
Non-current Liabilities				
Borrowings	2,497.34	—	—	2,497.34
Other Financial Liabilities	263.77	—	—	263.77
Current Liabilities				
Borrowings	2,460.71	—	—	2,460.71
Current maturities of long term debt	2,499.25	—	—	2,499.25
Trade Payables	970.83	—	—	970.83
Other Financial Liabilities	645.03	—	—	645.03
	<u>9,336.93</u>	<u>—</u>	<u>—</u>	<u>9,336.93</u>

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK**(i) Credit risk management:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from trade receivables, cash and cash equivalents, mutual Funds & other financial assets.

(ii) Trade Receivables:

The Company's trade receivables include receivables on lease of residential flats and rent maintenance receivable. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. The rent maintenance receivables are secured by security deposits obtained under the lease agreement. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats and rent receivables. However owing to COVID-19 pandemic outbreak the Company expects considerable slow down in collections of existing receivables and delay in billing further milestones owing to lockdown.

(iii) Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution

counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31st March, 2020				
Non-interest bearing				
Trade Payables	1,399.47	—	—	—
Other Current Financial Liabilities	152.64	—	—	—
Interest Accrued but not due including premium on NCD	502.55	—	—	—
Current maturities of long term debt	2,499.21	—	—	—
Variable interest rate instruments				
Short term Borrowing- Principal	3,882.39	—	—	—
Long Term Borrowing - Principal	—	3,000.00	—	—
Total	8,436.26	3,000.00	—	—
31st March, 2019				
Non-interest bearing				
Trade Payables	970.83	—	—	—
Other Current Financial Liabilities	178.00	—	—	—
Interest Accrued but not due including premium on NCD	467.03	263.77	—	—
Current maturities of long term debt	2,499.25	—	—	—
Variable interest rate instruments				
Short term Borrowing- Principal	2,460.71	—	—	—
Fixed interest rate instruments				
Long Term Borrowing - Principal	—	2,497.34	—	—
Total	6,575.82	2,761.11	—	—

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 st March, 2020	31 st March, 2019
Secured Bank Overdraft facility		
- Expiring within one year.....	1,812.61	39.29
Secured Bank Guarantee Limit (sub limit of CC Credit facility)		
- Expiring within one year	100.00	100.00
Secured Letter of Credit (sub limit of CC Credit facility)		
- Expiring within one year	100.00	100.00

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31st March, 2020				
Non-interest bearing				
Non Current Investment	-	-	-	6,629.48
Trade Receivable	827.76	-	-	-
Cash and Cash equivalents	148.22	-	-	-
Bank balances other than above	366.00	-	-	-
Other Non Current Financial Assets	-	-	-	0.75
Other Current Financial Assets	17.72	-	-	-
Total	1,359.70	-	-	6,630.23
31st March, 2019				
Non-interest bearing				
Non Current Investment	-	-	-	6,629.48
Trade Receivable	323.74	-	-	-
Cash and Cash equivalents	43.37	-	-	-
Bank balances other than above	421.80	-	-	-
Other Non Current Financial Assets	-	-	-	0.75
Other Current Financial Assets	7.73	-	-	-
Total	796.64	-	-	6,630.23

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

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 risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep atleast 60% of its borrowings at fixed rates of interest. At 31 March 2020, 100% of the Company's borrowings are at a fixed rate of interest (31 March 2019: 100%).

Interest rate sensitivity

The sensitivity analysis below has been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's (loss)/profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/decrease in basis points	Effect on (loss)/profit before tax
31 st March, 2020	INR	+100	(24.87)
	INR	-100	24.87
31 st March, 2019	INR	+100	(24.61)
	INR	-100	24.61

29 - Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

COVID -19 Impact assessment :The management assessed the Company's future projections in light of the developments due to COVID 19 situation worldwide and has reassessed the impact that it may cause on the Company's financial and operational performance .The Company may experience delays in getting new prospects and signing of lease deeds, and consequent impact on the inflow of receivables, during the lock down period. The construction and development activities are temporarily suspended owing to lock down and the tenure of lock down is not yet certain as on date of approval of these financial statements. This will delay the milestone billings and the overall handover timelines to customers for projects under development. Statutory authorities have considered relaxation norms for handover deadlines and the Company At this moment expects no outflow on account delayed payment compensation . The management expects the Company to resume normalcy within a period of 3 to 4 months post lockdown with some impact on overall milestone billings, collections and registrations through the financial year. The Company has credit and term loan facilities available to meet the project costs and pay off the vendors and bankers in the immediate 12 months from the date of approval of these financial statements. The Company expects no additional inflow of capital towards currently planned development. Based on the above assessment, the management is of the view that company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

30. Related party disclosures**Names of related parties and related party relationship****Related parties where control exists**

a) Names of related parties and nature of relationship where control exists:	Mahindra & Mahindra Limited (Ultimate Holding Company) Mahindra Lifespace Developers Limited (Holding Company)
b) Subsidiary Company	Mahindra Residential Developers Limited (Wholly owned Subsidiary Company)
c) Fellow Subsidiaries & Joint Ventures with whom transactions have been entered during the Year	Mahindra World City Developers Limited (MWCDL) (Joint Venture of Holding Company) Mahindra Integrated Business Solutions Private Limited (MIBS) - (Fellow Subsidiary)

d) Key Managerial Personnel		
Designation	Name	Till
Manager under the Companies Act	P Vijayan Janardhanan	15th November, 2019

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Previous year figures in brackets)					
Nature of transactions with Related Parties	Ultimate Holding Company	Holding Company	Joint Venture–MWCDL	MIBS–Fellow Subsidiary	Subsidiary
Inter Corporate Deposit repaid					100.00 –
Inter Corporate Deposit taken					1,495.00 –
Dividend Received					157.00 (580.00)
Dividend Paid		– (430.50)	– (149.50)		
Guarantee commission income		– (1.67)			
Interest expense		– –			97.65 –
Reimbursement of Gratuity Leave Encashment & Performance Pay		134.79 –			– –
Administration expenses billed		24.59 (12.32)			16.02 (16.95)
Consultancy charges (Information Technology & Manpower Deputation Charges etc)	6.52 (9.37)	107.53 (537.11)	11.53 –	3.88 –	84.70 –
Sale/Purchase of Materials and Services			1.65 –		– (7.21)
Rent, EB & Maintenance charges			222.94 (246.93)		
Marketing expenses		24.57 (25.55)			

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

(Previous year figures in brackets)

Nature of transactions with Related Parties	Ultimate Holding Company	Holding Company	Joint Venture-MWCDL	MIBS-Fellow Subsidiary	Subsidiary
Deposits made (Rent & Maintenance)			66.27 (66.27)		
Inter-corporate deposits payable					1,395.00
Other Payables	7.04 (4.28)	361.51 (327.75)	76.13 (72.17)	0.95 –	21.82 –
Trade Receivables					– (4.66)

Note No. 31 - Fair Value Measurement**Fair value of financial assets and financial liabilities that are not measured at fair value****Fair value hierarchy as at 31st March, 2019**

Particulars	31 st March, 2020		31 st March, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Investments in Equity.....	6,629.48	6,629.48	6,629.48	6,629.48
– Trade and other receivables.....	845.48	845.48	331.47	331.47
– Deposits and similar assets.....	0.75	0.75	0.75	0.75
Total	7,475.71	7,475.71	6,961.70	6,961.70

Financial liabilities

Financial liabilities held at amortised cost

– Debentures.....	–	–	2,497.34	2,497.34
– Term Loan from Bank.....	3,000.00	3,000.00	–	–
– Loans from related parties	1,395.00	1,395.00	–	–
– Borrowings from bank	2,487.39	2,487.39	2,460.71	2,460.71
– Current maturities of long term debt..	2,499.21	2,499.21	2,499.25	2,499.25
– Trade and other payables	2,054.66	2,054.66	1,879.63	1,879.63
Total	11,436.26	11,436.26	9,336.93	9,336.93

Fair value hierarchy as at 31st March, 2020

Particulars	Level 1		Level 2		Level 3		Total
Financial assets							
Financial assets carried at Amortised Cost							
– Investments in Equity.....	–	6,629.48	–	–	–	–	6,629.48
– Trade and other receivables.....	–	845.48	–	–	–	–	845.48
– Deposits and similar assets.....	–	0.75	–	–	–	–	0.75
Total	–	7,475.71	–	–	–	–	7,475.71
Financial liabilities							
Financial Instruments not carried at Fair Value							
– Termloan from Bank	–	3,000.00	–	–	–	–	3,000.00
– Loans from related parties	–	1,395.00	–	–	–	–	1,395.00
– Borrowings from bank	–	2,487.39	–	–	–	–	2,487.39
– Current maturities of long term debt..	–	2,499.21	–	–	–	–	2,499.21
– Trade and other payables	–	2,054.66	–	–	–	–	2,054.66
Total	–	11,436.26	–	–	–	–	11,436.26

Financial assets

Financial assets carried at Amortised Cost

– Investments in Equity.....	–	6,629.48	–	6,629.48
– Trade and other receivables.....	–	331.47	–	331.47
– Deposits and similar assets.....	–	0.75	–	0.75
Total	–	6,961.70	–	6,961.70

Financial liabilities

Financial Instruments not carried at Fair Value

– Debentures.....	–	2,497.34	–	2,497.34
– Borrowings from bank	–	2,460.71	–	2,460.71
– Current maturities of long term debt...	–	2,499.25	–	2,499.25
– Trade and other payables	–	1,879.63	–	1,879.63
Total	–	9,336.93	–	9,336.93

For recurring and non-recurring fair value measurements, if the highest and best use of a nonfinancial asset differs from its current use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note No. 32- INDAS 115 Disclosures**1 Contract Balances**

Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as “Advances received from Customers”. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables.

During the year, the Company recognised Revenue of Rs. 58.92 Lakhs (FY 18-19 Rs. 626.41 lakhs) from opening contract liability (after Ind AS 115 adoption) of Rs. 733.94 Lakhs (FY 18-19 Rs. 683.33 lakhs).

There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.

There are no contract assets outstanding at the end of the year.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31st March, 2020, is Rs. 3,256.44 Lakhs (FY 18-19 Rs. 733.94 lakhs). Out of this, the Company expects to recognize revenue of 100% within the next two year and the remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

2 Reconciliation of revenue recognized with the contracted price is as follows:

	Rs. Lakhs	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Contracted price.....	58.92	629.42
Adjustments on account of cash discounts or early payment rebates, etc.....	—	—
Revenue recognised as per Statement of Profit & Loss.....	58.92	629.42

3 Contract costs

	Rs. Lakhs	
	As at 31 st March, 2020	As at 31 st March, 2019
Costs to obtain contracts.....	26.82	13.18

For the year ended 31st March 2020, amortisation amounting to Rs. 0.56 lakhs (Rs. 4.16 lakhs) was recognised as part of other expenses in the statement of profit or loss. There was no impairment loss in relation to the costs capitalised.

(Also refer note 2.3.2)

Note No. 33 - Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized Rs. 15.91 Lakhs (PY Rs. Nil) for Provident fund & Other funds contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 22 Employee benefits expense. The details of actuarial valuation are given below:

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

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's debt investments.

Longevity risk

The present value of 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 benefit 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.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Rs. Lakhs Gratuity (Unfunded) 2019-20
a. Net Liabilities recognized in the balance sheet	
Present Value of Defined Benefit Obligation	53.34
Fair Value of Plan assets.....	—
Liabilities recognised in the balance sheet	53.34
b. Expense recognized in the Statement of Profit and Loss	
Past service cost	—
Current Service cost.....	5.68
Interest cost	2.39
Expected return on plan assets.....	—
Actuarial (gains) / Losses	10.23
Total expenses.....	18.30
c. Change in present value of Defined Benefit obligation	
Present Value of the obligation at the beginning of the year	—
Past service cost	—
Current Service cost	5.68
Interest Cost	2.39
Actuarial (Gains) /Losses	10.23
Benefits Paid.....	—
Present value of the obligation as at the end of the year	18.30
d. Principal actuarial assumptions	
Discount Rate	6.50%
Expected rate of Salary increase.....	10.00%
Attrition Rate	10.00%
	LIC (2006-08) Ultimate mortality tables
Mortality	
e. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.	

	For the year ended 31 st March, 2020
Actuarial assumptions for long-term compensated absences	
Discount rate.....	6.50%
Salary escalation.....	10.00%
Attrition	10.00%

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakh unless otherwise stated

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The Sensitivity of defined benefit obligation to changes in the weighted principle assumptions is

Name of the Subsidiary	Impact on defined benefit obligation		
	Year	Change in Assumption	Increase in assumption Decrease in assumption
Discount Rate	2020	0.50%	50.99 55.88
	2019	0.50%	— —
Salary Growth Rate	2020	0.50%	55.53 51.12
	2019	0.50%	— —

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	As at 31 st March, 2020
Year 1	3.99
Year 2	4.05
Year 3	4.13
Year 4	4.24
Year 5	4.21
Next 5 Years	21.54

Note No. 34 - Leases

Ministry of corporate Affairs has notified Ind AS 116 "Leases" which is effective from 01st April, 2019. Pursuant to this, the company has applied this standard to all lease contracts existing on 01st April, 2019 using the retrospective approach with the cumulative effect at the date of initial application. The adoption of the Standard did not have any material impact to the financial results of the Company. Therefore, there is no effect of adopting Ind AS 116 on retained earnings as at 01st April, 2019. Thus, on transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and lease liability is NIL.

The Company has not applied the requirement of IND AS 116 to short-term leases of all assets that have a lease term of 12 months or less. Amount recognised in Statement of Profit and Loss Account is Rs 4.73 lakhs

Note No. 35 - Additional Information to the Financial Statements**i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

SI No	Particulars	31 st March, 2020	31 st March, 2019
1	Dues remaining unpaid		
	Principal	—	55.06
	Interest	—	—
2	Interest paid in terms of Section 16 of the MSME Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	Principal paid beyond the appointed date	—	—
	Interest paid in terms of Section 16 of the MSME Act	—	—
3	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	—	—
4	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	—	—
5	Amount of interest accrued and remaining unpaid	—	—

Note No. 36 - Other Notes

- The Company did not have any pending litigation which would impact its financial position;
- The Company did not have any material foreseeable losses on long term contracts; the company has not entered into any derivative contracts;
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Note No. 37 - Approval of Financial Statements

The aforesaid financial statements have been approved by Company's board of directors and the authorised for issue in the meeting held on 19th April, 2019.

Note No 38 - Event after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

Note No 39 - Previous year figures

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

For and on behalf of the board of directors of Mahindra Integrated Township Limited

Ankit Shah
Company Secretary

T Sivaranjan kumar
Chief Financial Officer

Sangeeta Prasad
Chairperson
(DIN: 02791944)

R. Santhanam
(DIN: 00237740)
M. S. Jagan
(DIN: 02002827)

Vimal Agarwal
Non-Executive Non-Independent Director
(DIN: 07296320)

} Independent Director

Place: Mumbai
Date: 15th April, 2020

Annexure A**Form AOC-I****Salient features of Financial Statements of Subsidiary as per Companies Act, 2013**

Name of Subsidiary	Mahindra Residential Developers Limited
The date since when subsidiary was acquired	01st February, 2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
Share Capital	25.00
Other Equity	9,113.94
Total Assets	11,369.25
Total Liabilities	2,230.31
Turnover	5,348.64
Profit before taxation	841.83
Provision for taxation	239.28
Profit after taxation	602.55
Proposed Dividend (including dividend distribution tax)	–
Extent of shareholding (in percentage)	100%

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA RESIDENTIAL DEVELOPERS LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Mahindra Residential Developers Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and 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 notes to the financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Ind AS financial statements.

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 at the date of this Auditor's Report comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on Auditing specified under Section 143 (10) of the Act 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 Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 ("CARO 2016" / "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 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 Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 Rule 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 Ind AS financial statements. (Refer Notes 25 to the Ind AS financial statements).
- ii. The Company did not have any long-term contracts which has any material foreseeable losses. The Company did not have any derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Place: Chennai
Date: 21st April, 2020

P. Shankar Raman
Partner
Membership No. 204764
UDIN : 20204764AAAAAX5064

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Mahindra Residential Developers Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls over Financial Reporting

The Board of Directors of the Company 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 of 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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS 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, to the best of our information and according to the explanations given to us, 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 31st March, 2020, based on the criteria for internal financial control over financial reporting 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 **B. K. Khare & Co.**
Chartered Accountants
(Firm’s Registration No. 105102W)

P. Shankar Raman
Partner
Membership No. 204764
UDIN : 20204764AAAAAX5064

Place: Chennai
Date: 21st April, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i. In respect of its fixed assets (Property, Plant and Equipment (PPE)):
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE.
 - b) The PPE were physically verified during the year by the Management and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- ii. In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are done at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company had granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:
 - a) The terms and conditions of the grant of such loans were, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - b) The schedule of repayment of principal and payment of interest were stipulated and repayments or receipts of principal amounts and interest were regular as per stipulations.
 - c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year. There were no unclaimed deposits outstanding at any time during the year.
- vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government

under subsection (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and 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. According to the records of the Company and information and explanations given to us, in respect of statutory dues:
 - a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Goods and Services Tax (“GST”) and other statutory dues applicable to it with the concerned authorities.
 - b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, GST and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
 - c) The details of dues of Income Tax which has not been deposited as on 31st March, 2020 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which Amount relates	Amount unpaid (Rs. In lakhs)
Income Tax Act 1961	Income Tax	Income Tax Appellate Tribunal	AY 2014 -15	365.75

- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from banks, financial institutions and government or has issued any debentures and hence the reporting under clause (viii) of CARO 2016 is not applicable.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of CARO 2016 is not applicable.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such cases by the Management.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not paid/ provided managerial

remuneration covered under the provisions of Section 197 read with Schedule V to the Act and accordingly reporting under clause (xi) of CARO 2016 is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of CARO 2016 is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial Statements as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B. K. Khare & Co.**

Chartered Accountants

(Firm's Registration No. 105102W)

P. Shankar Raman

Partner

Place: Chennai

Date: 21st April, 2020

Membership No. 204764

UDIN : 20204764AAAAAX5064

BALANCE SHEET AS AT 31ST MARCH, 2020

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment.....	3	10.09	—
(b) Financial Assets			
(i) Other Financial Assets.....	4	23.17	23.34
(c) Deferred Tax Assets	5	145.37	258.62
(d) Other Non-current Assets	6	825.69	747.11
Total Non-Current Assets.....		1,004.32	1,029.07
CURRENT ASSETS			
(a) Inventories	7	4,195.48	8,247.81
(b) Financial Assets			
(i) Trade Receivables.....	8	727.49	968.22
(ii) Cash and Cash Equivalents	9	115.24	1,652.60
(iii) Bank balances other than (ii) above.....	9	98.96	132.54
(iv) Loans	10	4,595.00	—
(v) Other Financial Assets.....	4	75.99	10.23
(c) Other Current Assets.....	6	556.77	625.05
Total Current Assets		10,364.93	11,636.45
Total Assets		11,369.25	12,665.52
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	11	25.00	25.00
(b) Other Equity	12	9,113.94	8,700.66
Total Equity		9,138.94	8,725.66
LIABILITIES			
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables.....	13		
total outstanding dues of micro enterprises and small enterprises....		100.87	80.78
total outstanding dues of creditors other than micro enterprises and small enterprises		884.00	1,394.25
(ii) Other Financial Liabilities.....	14	81.98	111.02
(b) Provisions	15	56.78	22.32
(c) Other Current Liabilities	16	1,106.68	2,331.49
Total Current Liabilities		2,230.31	3,939.86
Total Liabilities		2,230.31	3,939.86
Total Equity & Liabilities		11,369.25	12,665.52

Summary of Significant Accounting Policies 2
The accompanying notes 1 to 35 are an integral part of these financial statements

In terms of our report attached

For **B K Khare & Co**

Chartered Accountants

P. Shankar Raman

Partner

Place: Chennai

Date: April 21, 2020

For and on behalf of the Board of Directors

Mahindra Residential Developers Limited**Mr. Vaibhav Mittal**
(DIN:02905926)

Chairman

Mr. Vijay Madhav Paradkar
(DIN:00149410)Non-Executive
Non-Independent Director**Mr. Vimal Agarwal**
(DIN:07296320)Non-Executive
Non-Independent Director

Place: Chennai

Date: April 21, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	Year ended 31 st March, 2020	Year ended 31 st March, 2019
INCOME			
Revenue from operations.....	17	5,348.64	3,671.29
Other income.....	18	327.66	83.00
Total Income		5,676.30	3,754.29
EXPENSES			
Cost of Sales	19	3,945.79	2,438.99
Finance costs	20	35.45	48.40
Depreciation and amortisation expense.....	3	1.44	—
Other expenses	21	851.79	735.98
Total Expenses		4,834.47	3,223.37
Profit before tax		841.83	530.92
Tax expense			
Current tax	22	200.67	—
Deferred tax	22	38.61	(46.91)
Total tax Expense/(Credit)		239.28	(46.91)
Profit after tax for the year		602.55	577.83
Other Comprehensive Income		—	—
Other Comprehensive Income		—	—
Total Comprehensive Income		602.55	577.83
Earnings per equity share (of face value ₹ 10/-each):			
Basic/Diluted (in Rs.).....	24	241.02	231.13
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 35 are an integral part of these financial statements

In terms of our report attached

For **B K Khare & Co**

Chartered Accountants

P. Shankar Raman

Partner

Place: Chennai

Date: April 21, 2020

For and on behalf of the Board of Directors

Mahindra Residential Developers Limited**Mr. Vaibhav Mittal**
(DIN:02905926)

Chairman

Mr. Vijay Madhav Paradkar
(DIN:00149410)Non-Executive
Non-Independent Director**Mr. Vimal Agarwal**
(DIN:07296320)Non-Executive
Non-Independent Director

Place: Chennai

Date: April 21, 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Cash flows from operating activities		
Profit before tax for the year	841.83	530.92
Adjustments for:		
Finance costs recognised in profit and loss	35.45	48.40
Interest Income	(259.01)	(41.22)
Depreciation and amortisation of non-current assets	1.44	–
Movements in working capital:		
Decrease in trade and other receivables	240.73	123.40
Decrease in amounts due from customers under construction contracts	–	663.99
Decrease in inventories	4,052.33	1,316.43
Decrease in other assets	142.92	479.56
Decrease in other Financial Assets	0.07	–
Decrease in trade and other payables	(490.16)	(575.29)
Decrease in other liabilities	(64.29)	(358.30)
Decrease in deferred revenue	(1,189.56)	(774.77)
(Increase)/Decrease in provisions	34.46	(11.20)
Cash generated from operations	3,346.21	1,401.92
Income taxes paid (Net)	(290.78)	(104.44)
Net cash generated from operating activities	3,055.43	1,297.48
Cash flows from investing activities		
Capital Expenditure	–	(11.53)
Interest received	193.35	34.56
Bank balances not considered as Cash and Cash Equivalents	33.58	743.25
Inter-corporate deposits given to related parties	(5,495.00)	(200.00)
Inter-corporate deposits repaid by related parties	900.00	200.00
Net cash (used in)/generated from investing activities	(4,368.07)	766.28
Cash flows from financing activities		
Dividend paid (including Dividend Distribution Tax)	(189.27)	(699.22)
Interest paid	(35.45)	(48.40)
Net cash used in financing activities	(224.72)	(747.62)
Net (decrease)/increase in cash and cash equivalents	(1,537.36)	1,316.14
Cash and cash equivalents at the beginning of the year	1,652.60	336.46
Cash and cash equivalents at the end of the year (Refer Note no 9)	115.24	1,652.60

The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

Summary of Significant Accounting Policies

The accompanying notes 1 to 35 are an integral part of these financial statements

In terms of our report attached

For **B K Khare & Co**

Chartered Accountants

P. Shankar Raman

Partner

Place: Chennai

Date: April 21, 2020

For and on behalf of the Board of Directors

Mahindra Residential Developers Limited

Mr. Vaibhav Mittal
(DIN:02905926)

Chairman

Mr. Vijay Madhav Paradkar
(DIN:00149410)

Non-Executive
Non-Independent Director

Mr. Vimal Agarwal
(DIN:07296320)

Non-Executive
Non-Independent Director

Place: Chennai

Date: April 21, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Rupees Lakhs unless otherwise stated

	Share Capital		Other Equity		Total
	Equity Share Capital	Securities Premium	Capital Redemption Reserves	Retained Earnings	
Balance as at 1st April, 2018	25.00	5,435.33	1.00	3,901.03	9,337.36
INDAS 115 Opening Reserve Adjustment (net of tax)				(515.31)	(515.31)
Profit for the year	–	–	–	577.83	577.83
Dividend paid (includes Dividend Distribution Tax of Rs. 119.22 lakhs)	–	–	–	(699.22)	(699.22)
Balance as at 31st March, 2019	<u>25.00</u>	<u>5,435.33</u>	<u>1.00</u>	<u>3,264.33</u>	<u>8,700.66</u>
	Share Capital		Other Equity		Total
	Equity Share Capital	Securities Premium	Capital Redemption Reserves	Retained Earnings	
Balance as at 1st April, 2019	25.00	5,435.33	1.00	3,264.33	8,700.66
Profit for the year	–	–	–	602.55	602.55
Dividend paid (includes Dividend Distribution Tax of Rs. 32.27 lakhs)	–	–	–	(189.27)	(189.27)
Balance as at 31st March, 2020	<u>25.00</u>	<u>5,435.33</u>	<u>1.00</u>	<u>3,677.61</u>	<u>9,113.94</u>

Summary of Significant Accounting Policies

The accompanying notes 1 to 35 are an integral part of these financial statements

The accompanying notes 1 to 35 are an integral part of these financial statements

In terms of our report attached

For **B K Khare & Co**

Chartered Accountants

P. Shankar Raman

Partner

Place: Chennai

Date: April 21, 2020

For and on behalf of the Board of Directors

Mahindra Residential Developers Limited**Mr. Vaibhav Mittal**
(DIN:02905926)

Chairman

Mr. Vijay Madhav Paradkar
(DIN:00149410)Non-Executive
Non-Independent Director**Mr. Vimal Agarwal**
(DIN:07296320)Non-Executive
Non-Independent Director

Place: Chennai

Date: April 21, 2020

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

1. General Information

Mahindra Residential Developers Limited ("the Company") was incorporated on 1st February, 2008.

The Company is a Co-developer, approved under Special Economic Zone Act, 2005, engaged in development of township including residential infrastructure in Mahindra World City SEZ and giving it on perpetual lease. The address of its registered office and principal place of business is Administrative Block, Central Avenue, Mahindra World City, Chengalpet, Kancheepuram – 603 002.

The level of activity carried out by the Company depends on the number of projects handled and accordingly the revenue from operations may not be comparable on a year-to-year basis.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the Companies Act, 2013 ("the Act").

The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on April 21, 2020.

2.2 Basis of measurement

2.2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2.2 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as applicable.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.3 Revenue from Contracts and Customers

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.3.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed.

Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

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

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.3.2 Contract Costs

Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.3.3 Significant accounting judgements, estimates and assumptions

2.3.3.1 Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the over time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

2.3.3.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

2.3.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Current versus non-current classification

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

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

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

The Company classifies all other liabilities as non-current.

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

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.7.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

2.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8 Property, plant and equipment (PPE)

PPE are stated in the balance sheet at cost less accumulated depreciation.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. PPE held for disposal are valued at estimated net realizable value.

Depreciation on PPE has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Lease hold improvements are amortised over the period of lease/ estimated period of lease.

2.9 Impairment of PPE

At the end of each reporting period, the Company reviews the carrying amounts of its PPE to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest and manpower costs and expenses incidental to the projects undertaken by the Company.

2.11 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.13 Foreign currencies

Transactions in foreign currencies i.e. other than the Company's functional currency are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.15 Contingent liabilities

Contingent liability is disclosed in case of:

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- b) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.16 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16.1 Classification and subsequent measurement

2.16.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long term strategic purpose.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

2.16.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.16.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.17 Earnings per Share

Basic/Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.18 Goods and Services tax input credit:

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.19 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Judgements

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

Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Note No. 3 - Property Plant and Equipment

Description of Assets	Office Equipments	Total
I. Gross Carrying Amount		
Balance as at 1 st April, 2019	—	—
Additions	11.53	11.53
Balance as at 31st March, 2020	11.53	11.53
II. Accumulated depreciation		
Balance as at 1 st April, 2019	—	—
Depreciation expense for the year ...	1.44	1.44
Balance as at 31st March, 2020	1.44	1.44
III. Net carrying amount (I-II).....	10.09	10.09

Note No. 4 - Other Financial Assets

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
A) Security Deposits				
— Unsecured, considered good.....	3.67	23.17	3.57	23.34
TOTAL (A)	3.67	23.17	3.57	23.34
B) Interest Receivable				
Interest accrued on deposits	7.84	—	6.66	—
Interest on Loans and Advances (Refer Note no 10)	64.48	—	—	—
TOTAL (B)	72.32	—	6.66	—
GRAND TOTAL	75.99	23.17	10.23	23.34

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 5 - Deferred Tax Assets

Particulars	For the Year ended 31 st March, 2020			Closing Balance
	Opening Balance	Utilisation for the year	Recognised in profit and Loss	
Tax impact of adjustment pursuant INDAS 115 (Refer Note. 17).....	49.39	–	(38.61)	10.78
Tax effect of items constituting MAT	–	–	–	–
Minimum Alternate Tax (MAT)	209.23	(74.64)		134.59
Net Tax Asset	258.62	(74.64)	(38.61)	145.37

Particulars	For the Year ended 31 st March, 2019			Closing Balance
	Opening Balance	Impact in Opening Retained Earnings (Refer Note No: 17)	Recognised in profit and Loss	
Tax impact of adjustment pursuant INDAS 115 (Refer Note. 17).....	–	211.71	(162.32)	49.39
Tax effect of items constituting MAT				
Minimum Alternate Tax (MAT)		–	209.23	209.23
Net Tax Asset	–	211.71	46.91	258.62

Note No. 6 - Other assets

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes).....	535.02	–	544.86	–
(ii) Other advances (Mobilisation and Material Advances).....	16.19	–	7.20	–
(iii) Advance for Capital Goods	–	–	–	11.53
(b) Advance income tax - (Net of Provision for Tax FY 2019-20 Rs. 2,111.34 lakhs, FY 2018-19 Rs. 1,910.87 lakhs)*	–	825.69	–	735.58
(c) Prepaid Expenses	5.56	–	44.90	–
(d) Security Deposits	–	–	28.09	–
	556.77	825.69	625.05	747.11

* Includes amount Rs. 746.30 lakhs paid under protest.(As at 31st March, 2019 Rs. 630.90).**Note No. 7 - Inventories**

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(a) Construction Materials.....	250.32	300.46
(b) Construction Work-in-Progress.....	2,316.63	2,761.05
(c) Finished Goods	1,628.53	5,186.30
Total Inventories (at lower of cost and net realisable value)	4,195.48	8,247.81

* Construction Work-in-Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

Construction materials primarily comprises of include Steel, Cement, Chrome Plated & Sanitary Fixtures and UPVC windows.

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 3,945.79 lakhs (31st March, 2019: 2,438.99 lakhs).

The Company has availed cash credit facilities which are secured by hypothecation of inventories.

Based on detailed assessment and evaluation of impact of the COVID-19 epidemic, the management concluded that realisable value of these inventories will not be lower than the carrying value.

Note No. 8 - Trade receivables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Current	Current
Trade receivables		
Unsecured, considered good.....	727.49	968.22
Total	727.49	968.22

Refer Note 26 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

The average credit period is in the range of 7-31 days on lease of residential property as per the agreement with customers.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 9 - Cash and Bank Balances

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents		
(a) Cash on hand.....	–	0.01
(b) Cheques on Hand	–	86.44
(c) Balances with banks		
in Current Accounts	11.87	37.30
in Cash Credit account.....	3.37	33.85
Deposits with original maturity of less than three months.....	100.00	1,495.00
Total Cash and cash equivalents (considered in Statement of Cash Flows).....	115.24	1,652.60

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Bank Balances other than Cash and cash equivalents		
– in Current Accounts - earmarked*	2.46	36.04
– Earmarked Deposit account with scheduled banks#	96.50	96.50
Total Other Bank balances	98.96	132.54

* Required to be set aside and kept in separate bank account under Tamil Nadu Real Estate (Regulation and Development) Act, 2016.

Earmarked balances with banks refers to Fixed Deposits with bank created out of Corpus and Advance maintenance Charges collected from customers.

Note No. 10 - Loans

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Loans to related parties* (Refer note 27).....	4,595.00	–
Total Loans	4,595.00	–

* The Inter Corporate Deposits are given to meet working capital requirement at an interest rate of 9.5% pa. The loan is unsecured and repayable on demand.

Note No. 11 - Equity Share Capital

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	4,50,000	45.00	4,50,000	45.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights.....	2,50,000	25.00	2,50,000	25.00
Total	2,50,000	25.00	2,50,000	25.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Fresh Issue	Bonus	Other Changes	Closing Balance
(a) Equity Shares with Voting rights*					
Year Ended 31 st March, 2020					
No. of Shares.....	2,50,000	–	–	–	2,50,000
Amount in Lakhs.....	25.00	–	–	–	25.00
Year Ended 31 st March, 2019					
No. of Shares.....	2,50,000	–	–	–	2,50,000
Amount in Lakhs	25.00	–	–	–	25.00

* **Terms/ rights attached to equity shares:** The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	No.	% holding in the class	No.	% holding in the class
Equity shares with voting rights:-				
Mahindra Integrated Township Limited, Holding Company	2,50,000	100.00%	2,50,000	100.00%

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

(iii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March, 2020	
Mahindra Integrated Township Limited, Holding Company.....	2,50,000
As at 31st March, 2019	
Mahindra Integrated Township Limited, Holding Company.....	2,50,000

Note No. 12 - Other Equity**Note No. 12a - Other Equity**

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Securities premium.....	5,435.33	5,435.33
Capital Redemption Reserve.....	1.00	1.00
Retained earnings.....	3,677.61	3,264.33
	9,113.94	8,700.66

Note No. 12b - Other Equity

Particulars	Securities Premium	Capital Redemption Reserves	Retained Earnings	Total
Balance as at 1st April, 2019	5,435.33	1.00	3,264.33	8,700.66
Profit for the year	—	—	602.55	602.55
Dividend paid (including Dividend Distribution Tax of Rs. 32.27 lakhs)	—	—	(189.27)	(189.27)
Balance as at 31st March, 2020	5,435.33	1.00	3,677.61	9,113.94

Retained Earnings: This reserve represents cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Securities Premium: The Securities Premium is created on issue of shares at a premium.

Capital Redemption Reserve: The Capital Redemption Reserve was created against redemption of Preference Shares.

Note No. 13 - Trade Payables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 30 (i))	100.87	80.78
- total outstanding dues of creditors other than micro enterprises and small enterprises.....	802.30	1,195.91
Retention Payable	81.70	198.34
Total Trade Payables	984.87	1,475.03

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Trade Payables include Rs. 240.22 Lakhs payable towards Gannon Dunkerley & Co Ltd (GDCL), who have sought arbitration against the termination of their contract due to non performance. There are claims and counter claims made by both parties and the arbitration is currently in process. Based on professional advice the management does not expect a liability above the amount reflected as trade payables and hence no additional provision is presently considered necessary.

The average credit period is in the range of 7-31 days as per the agreement with Contractors/Suppliers.

Note No. 14 - Other Financial Liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Current		
Deposits from Customers*	81.98	111.02
Total Other Financial Liabilities.....	81.98	111.02

* Refers to amount collected from customers towards "Advance maintenance and Corpus fund". Out of the funds collected, the Company has invested in earmarked deposit accounts with banks (Refer Note 9)

Note No. 15 - Provisions

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Current		
Defect Liability Provision.....	56.78	22.32
Total Provisions	56.78	22.32

Details of movement in Other Provisions is as follows:

Particulars	Defect Liability Provision
Balance at 1st April, 2018	51.59
Adjustment as per IND AS 115	(18.07)
Additional provisions recognised	38.40
Amounts used during the year	(49.60)
Balance at 31st March, 2019	22.32
Balance as at 1st April, 2019	22.32
Additional provisions recognised	34.46
Balance at 31st March, 2020	56.78

Defect Liability Provision:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units given under perpetual lease, the estimated cost of which is accrued during the period of construction. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a the defect liability period limited to 5 year from the date of handover of residential units. It is expected that most of these costs will be incurred within two years from the reporting date.

Note No. 16 - Other Current Liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a. Advances received from customers (under Construction Contracts)	34.91	64.37
b. Deferred Revenue	1,065.95	2,255.51
c. Statutory dues		
– taxes payable (other than income taxes)	5.82	11.61
Total Other Current Liabilities	1,106.68	2,331.49

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 17 - Revenue from Operations

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Income from projects (Refer note no. 30)	5,348.64	3,671.29
Total Revenue from Operations.....	5,348.64	3,671.29

Note No. 18 - Other Income

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Interest Income on Financial assets that are not designated as Fair Value through Profit and Loss	303.73	68.93
Inter Corporate Deposits (Refer Note 10)	182.39	11.87
Bank Deposits	76.62	29.35
Others*	44.72	27.71
Scrap Sales	—	0.29
Cancellation / Other income.....	23.93	13.78
Total Other Income	327.66	83.00

* Other Interest Income includes interest income on account of financing component involved in contracts with customers and interest charged on late payment received from customers.

Note No. 19 Cost of Sales

Cost of Projects

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Inventories at the beginning of the year:		
Finished goods	5,186.30	2,955.94
Transitional adjustment INDAS 115 - Refer Note no. 17	—	1,335.07
Construction Work-in-progress	2,761.05	4,140.42
Transitional adjustment INDAS 115 - Refer Note no. 17	—	733.45
Construction Materials	300.46	399.37
Sub Total (A)	8,247.81	9,564.25
Add: Expenses incurred during the year		
Land and Construction Costs	24.20	1,010.05
Architect & Consultant Fees	1.75	20.78
Project Management Fees	48.17	72.93
Other Expenses	1.92	18.79
Sub Total (B)	76.04	1,122.55
Reversal of Provisions during the year	(182.58)	—
Inventories at the end of the year:		
Finished goods	(1,628.53)	(5,186.30)
Construction Work-in-progress	(2,316.63)	(2,761.05)
Construction Materials	(250.32)	(300.46)
Sub Total (C)	(4,195.48)	(8,247.81)
Total (A + B + C)	3,945.79	2,438.99

Note No. 20 - Finance Costs

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Interest Expense	35.45	48.40
Total Finance Costs	35.45	48.40

Note No. 21 - Other Expenses

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Rent including lease rentals	4.01	3.82
Rates and taxes.....	120.72	71.12
Repairs and maintenance - Others	262.39	68.40
Advertisement and Marketing	190.90	319.80
Commission on sales / contracts (net).....	62.46	41.98
Travelling and Conveyance Expenses.....	18.49	18.35
Defect liability (net)	34.46	38.40
Expenditure on corporate social responsibility (CSR)*	4.79	5.02
Staff Deputation Costs.....	56.58	72.44
Director Sitting Fee	—	1.00
Auditors remuneration and out-of-pocket expenses	5.35	5.16
As Auditors	3.25	3.25
For Other services	2.10	1.90
For reimbursement of expenses.....	—	0.01
Other expenses	91.64	90.49
Legal and other professional costs	80.37	78.37
Other General Expenses	11.27	12.12
Total Other Expenses.....	851.79	735.98

* Details of expenditure on Corporate Social Responsibility

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Education	2.39	2.45
Contribution to approved NGO (Nanhi Kali foundation)	2.40	2.57
Total CSR Expense.....	4.79	5.02

Note No. 22 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Current Tax:		
In respect of current year	200.67	—
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	38.61	(46.91)
Total income tax expense / (credit) on continuing operations.....	239.28	(46.91)

(b) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit or Loss is as follows:

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Profit before tax from continuing operations	841.83	530.92
Income tax expense calculated at 27.82%/29.12%.....	234.20	—
Effect of income that is exempt from taxation.....	—	—
Minimum Alternate Tax.....	—	(209.23)
Others	0.95	—
Deferred Tax (Temporary differences arising out of INDAS 115 - refer note no. 17)	4.13	162.32
Income tax expense / (credit) recognised in profit or loss.....	239.28	(46.91)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

(c) Amounts on which deferred tax asset has not been created:

Deferred tax assets (MAT Credit) have not been recognised based on the analysis and judgement of the management of the profitability of the existing projects on hand / pipeline and in accordance with the accounting policy consistently followed by the Company and the balance as given below have not been recognised.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Unused tax credits -MAT (with year of expiry of the MAT credit)		
– MAT Credit of FY 2011-12(Expiry-2026-27) ..	63.12	63.12
– MAT Credit of FY 2012-13(Expiry-2027-28) ..	219.44	219.44
– MAT Credit of FY 2013-14(Expiry-2028-29) ..	870.18	870.18
– MAT Credit of FY 2014-15(Expiry-2029-30) ..	272.26	272.26
– MAT Credit of FY 2015-16(Expiry-2030-31) ..	32.94	32.94
– MAT Credit of FY 2017-18(Expiry-2032-33) ..	49.60	49.60
Total	1,507.54	1,507.54

Note No. 23 - Segment Reporting**Business segments**

The Company operates in only one business segment, i.e. 'lease of land and properties constructed thereon' based on the nature of the services and products, the risks and returns etc. This has been determined in the manner consistent with the internal reporting provided to the Director regarded as the Chief Operating Decision Maker ("CODM"). The Company operates only in India. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

Note No. 24 - Earnings per Share**Basic earnings per share**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Profit for the year attributable to owners of the Company.....	602.55	577.83
Weighted average number of equity shares (in Nos).....	2,50,000	2,50,000
Basic and Diluted Earning per share (in face value of Rs. 10/- per share) (in Rs.)	241.02	231.13

Note No. 25 - Contingent liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Contingent liabilities (to the extent not provided for)		
Income tax demands (to the extent not recognised in the books)		
FY 2011-12 (Assessment Year 2012-13)	121.05	121.05
FY 2012-13 (Assessment Year 2013-14)	121.39	148.98
FY 2013-14 (Assessment Year 2014-15)	869.63	940.56
Total.....	1,112.07	1,210.59

The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals.

Note No. 26 - Financial Instruments**Capital management**

'The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

'The Company is not subject to externally enforced capital regulation.

Categories of financial assets and financial liabilities

Particulars	Amortised Costs	As at 31 st March, 2020		
		FVTPL	FVOCI	Total
Non-current Assets				
Financial Assets Measured at Amortised Cost.....	23.17	–	–	23.17
Current Assets				
Trade Receivables.....	727.49	–	–	727.49
Cash and Cash equivalents.....	115.24	–	–	115.24
Bank Balances other than above	98.96	–	–	98.96
Loans & Other Financial Assets	4,670.99	–	–	4,670.99
	5,635.85	–	–	5,635.85
Current Liabilities				
Trade Payables	984.87	–	–	984.87
Other Financial Liabilities				
– Non Derivative Financial Liabilities	81.98	–	–	81.98
	1,066.85	–	–	1,066.85

Particulars	Amortised Costs	As at 31 st March, 2019		
		FVTPL	FVOCI	Total
Non-current Assets				
Financial Assets Measured at Amortised Cost.....	23.34	–	–	23.34
Current Assets				
Trade Receivables.....	968.22	–	–	968.22
Cash and Cash equivalents.....	1,652.60	–	–	1,652.60
Bank Balances other than above	132.54	–	–	132.54
Loans & Other Financial Assets	10.23	–	–	10.23
	2,786.93	–	–	2,786.93
Current Liabilities				
Trade Payables	1,475.03	–	–	1,475.03
Other Financial Liabilities				
– Non Derivative Financial Liabilities	111.02	–	–	111.02
	1,586.05	–	–	1,586.05

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

CREDIT RISK**(i) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from trade receivables, cash and cash equivalents, mutual Funds & other financial assets.

(ii) Trade Receivables:

The Company's trade receivables include receivables on lease of residential flats and rent maintenance receivable. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. The rent maintenance receivables are secured by security deposits obtained under the lease agreement. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats and rent receivables. However owing to COVID-19 pandemic outbreak the Company expects considerable slow down in collections of existing receivables and delay in billing further milestones owing to lockdown.

(iii) Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

LIQUIDITY RISK**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-2020				
Non Interest Bearing				
Trade Payable.....	984.87	—	—	—
Deposits from Customers.....	81.98	—	—	—
Total	1,066.85	—	—	—

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31-Mar-2019				
Non Interest Bearing				
Trade Payable.....	1,475.03	—	—	—
Deposits from Customers.....	111.02	—	—	—
Total	1,586.05	—	—	—

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 st March, 2020	31 st March, 2019
Secured Bank Cash Credit facility		
— Expiring within one year.....	1,000.00	1,000.00
Secured Bank Guarantee Limit (sub limit of CC Credit facility)		
— Expiring within one year.....	500.00	500.00
Secured Letter of Credit (sub limit of CC Credit facility)		
— Expiring within one year.....	500.00	500.00

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial Assets				
31st March, 2020				
Non-interest bearing				
Trade Receivables.....	727.49	—	—	—
Security Deposits.....	3.67	—	23.17	—
Interest receivables.....	72.32	—	—	—
Cash and Cash Equivalents.....	115.24	—	—	—
Bank Balances other than above.....	98.96	—	—	—
Fixed interest rate instruments..				
Loans to Related Parties	4,595.00	—	—	—
Total	5,612.68	—	23.17	—

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31st March, 2019				
Non-interest bearing				
Trade Receivables	968.22	–	–	–
Security Deposits	3.57	–	23.34	–
Interest receivables.....	6.66	–	–	–
Cash and Cash Equivalents	1,652.60	–	–	–
Bank Balances other than above.....	132.54			
Fixed interest rate instruments ..	–	–	–	–
Loans to Related Parties	–	–	–	–
Total	2,763.59	–	23.34	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

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 risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

- b) Fellow Subsidiary & Joint Venture of MLDL with whom transactions have been entered

Mahindra Integrated Business Solution Limited - Fellow Subsidiary

Mahindra World City Developers Limited (MWCDL) - Joint Venture of MLDL

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Ultimate Holding Company	Parent of Holding Company	Holding company	Fellow Subsidiary	Joint Venture of MLDL
Nature of transactions with Related Parties						
Interest Income	31-Mar-20			97.65		25.02
	31-Mar-19			–		11.87
Dividend paid	31-Mar-20			157.00		
	31-Mar-19			580.00		
Marketing Expenses-sharing expenses	31-Mar-20		30.33			
	31-Mar-19		21.55			
Purchase of Materials and Services	31-Mar-20	0.91		–	2.76	0.38
	31-Mar-19	4.04		7.21	–	–
Manpower Deputation Charges- Expense	31-Mar-20		20.05	84.70		
	31-Mar-19		145.37	–		

Note No. 27 - Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

COVID -19 Impact assessment:

The management assessed the Company's future projections in light of the developments due to COVID 19 situation worldwide and has reassessed the impact that it may cause on the Company's financial and operational performance. The Company may experience delays in getting new prospects and signing of lease deeds, and consequent impact on the inflow of receivables, during the lock down period. The construction and development activities are temporarily suspended owing to lock down and the tenure of lock down is not yet certain as on date of approval of these financial statements. This will delay the milestone billings and the overall handover timelines to customers for projects under development. Statutory authorities have considered relaxation norms for handover deadlines and the Company at this moment expects no outflow on account delayed payment compensation. The management expects the Company to resume normalcy within a period of 3 to 4 months post lockdown with some impact on overall milestone billings, collections and registrations through the financial year. The Company has credit and term loan facilities available to meet the project costs and pay off the vendors and bankers in the immediate 12 months from the date of approval of these financial statements. The Company expects no additional inflow of capital towards currently planned development. Based on the above assessment, the management is of the view that company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

Note No. 28 - Related Party Transactions

- a) Names of related parties and nature of relationship where control exists:

Ultimate Parent Company Mahindra & Mahindra Limited (M & M)

Parent of the Holding Company Mahindra Lifespace Developers Limited (MLDL)

Holding Company Mahindra Integrated Township Limited (MITL)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Particulars	For the year ended	Ultimate Holding Company	Parent of Holding Company	Holding company	Fellow Subsidiary	Joint Venture of MLDL
Office Establishment Expenses-Expense	31-Mar-20		6.15	16.02		5.32
	31-Mar-19		4.08	16.95		-
Maintenance Charges- Expense	31-Mar-20					25.73
	31-Mar-19					49.92
Inter Corporate Deposit (ICD) issued	31-Mar-20			1,495.00		2,000.00
	31-Mar-19			-		200.00
Inter Corporate Deposit (ICD) repayment received	31-Mar-20			100.00		-
	31-Mar-19			-		200.00

Nature of Balances with Related Parties	Balance as on	Ultimate Holding Company	Parent of Holding Company	Holding company	Fellow Subsidiary	Joint Venture of MLDL
Deposits	31-Mar-20					23.07
	31-Mar-19					23.07
Interest on ICD receivable	31-Mar-20			21.82		22.52
	31-Mar-19			-		-
Inter corporate deposit given	31-Mar-20			1,395.00		2,000.00
	31-Mar-19			-		-
Other Payables	31-Mar-20	0.83	24.24	-	0.11	14.58
	31-Mar-19	2.09	73.28	4.66	-	0.60

Note No. 29 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31 st March, 2020		31 st March, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
- Loans to related parties.....	4,595.00	4,595.00	-	-
- Trade and other receivables.....	727.49	727.49	968.22	968.22
- Cash and cash equivalents.....	115.24	115.24	1,652.60	1,652.60
- Bank balances other than above.....	98.96	98.96	132.54	132.54
- Other Receivables.....	72.32	72.32	6.66	6.66
- Deposits and similar assets.....	26.84	26.84	26.91	26.91
Total	5,635.85	5,635.85	2,786.93	2,786.93
Financial liabilities				
Financial liabilities held at amortised cost				
- Other financial Liabilities.....	81.98	81.98	111.02	111.02
- Trade and other payables.....	984.87	984.87	1,475.03	1,475.03
Total	1,066.85	1,066.85	1,586.05	1,586.05

Fair value hierarchy as at 31st March, 2020

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
- Loans to related parties.....	-	4,595.00	-	4,595.00
- Trade and other receivables.....	-	727.49	-	727.49
- Cash and cash equivalents.....	-	115.24	-	115.24

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Fair value hierarchy as at 31 st March, 2020				
	Level 1	Level 2	Level 3	Total
– Bank balances other than above.....	–	98.96	–	98.96
– Other Receivables.....	–	72.32	–	72.32
– Deposits and similar assets.....	–	26.84	–	26.84
Total	–	5,635.85	–	5,635.85
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Other financial Liabilities	–	81.98	–	81.98
– Trade and other payables.....	–	984.87	–	984.87
TOTAL	–	1,066.85	–	1,066.85

Fair value hierarchy as at 31 st March, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables.....	–	968.22	–	968.22
– cash and cash equivalents	–	1,652.60	–	1,652.60
– Bank balances other than above.....	–	132.54	–	132.54
– Other Receivables.....	–	6.66	–	6.66
– deposits and similar assets.....	–	26.91	–	26.91
Total	–	2,786.93	–	2,786.93
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Other financial Liabilities	–	111.02	–	111.02
– trade and other payables.....	–	1,475.03	–	1,475.03
Total	–	1,586.05	–	1,586.05

For recurring and non-recurring fair value measurements, if the highest and best use of a nonfinancial asset differs from its current use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31st March, 2020, is Rs. 1,065.95 Lakhs (FY 18-19 Rs. 2,255.51 lakhs). Out of this, the Company expects to recognize revenue within the next one year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

2) Reconciliation of revenue recognized with the contracted price is as follows:

	Rs. Lakhs	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Contracted price	5,385.01	3,742.70
Adjustments on account of cash discounts or early payment rebates, etc.	36.36	71.41
Revenue recognised as per Statement of Profit & Loss	5,348.64	3,671.29

3) Contract costs

	Rs. Lakhs	
	As at 31 st March, 2020	As at 31 st March, 2019
Costs to obtain contracts	2.89	44.90

For the year ended 31st March 2020, amortisation amounting to Rs. 42.23 Lakhs (FY 18-19 Rs. 36.19 lakhs) was recognised as part of other expenses in the statement of profit or loss. There was no impairment loss in relation to the costs capitalised.

(Also refer note 2.3.2)

Note No. 30 - INDAS 115 Disclosures

1) Contract Balances

Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers". Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables.

During the year, the Company recognised Revenue of Rs. 1,836.78 Lakhs (FY 18-19 Rs. 1,748.37 lakhs) from opening contract liability (after Ind AS 115 adoption) of Rs. 2,255.51 Lakhs (FY 18-19 Rs. 2,870.26 lakhs.)

There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.

There are no contract assets outstanding at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Lakhs unless otherwise stated

Note No. 31 - Additional Information to the Financial Statements**i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

Sl No	Particulars	31 st March, 2020	31 st March, 2019
1	Dues remaining unpaid		
	Principal	100.87	80.78
	Interest	1.31	—
2	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	Principal paid beyond the appointed date	—	—
	Interest paid in terms of Section 16 of the MSMED Act	—	—
3	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	—	—
4	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	—	—
5	Amount of interest accrued and remaining unpaid	1.31	—

Note No. 32 - Leases

Ministry of corporate Affairs has notified Ind AS 116 "Leases" which is effective from 01st April, 2019. Pursuant to this, the company has applied this standard to all lease contracts existing on 01st April, 2019 using the retrospective approach with the cumulative effect at the date of initial application. The adoption of the Standard did not have any material impact to the financial results of the Company. Therefore, there is no effect of adopting Ind AS 116 on retained earnings as at 01st April, 2019. Thus, on transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and lease liability is NIL.

Note No. 33 - Other Notes

- The Company has disclosed the impact of pending litigations on its financial position. (Refer Note 25 to the Ind AS financial statements);
- The Company did not have any material foreseeable losses on long term contracts; the Company has not entered into any derivative contracts.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Note No. 34 - Event after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

Note No. 35 - Previous year figures

The figures for previous year have been regrouped/reclassified wherever found necessary to conform to current year's grouping/classification.

For and on behalf of the Board of Directors

Mahindra Residential Developers Limited**Mr. Vaibhav Mittal**
(DIN:02905926)

Chairman

Mr. Vijay Madhav Paradkar
(DIN:00149410)Non-Executive
Non-Independent Director**Mr. Vimal Agarwal**
(DIN:07296320)Non-Executive
Non-Independent Director

Place: Chennai

Date: April 21, 2020

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra Industrial Park Chennai Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Mahindra Industrial Park Chennai Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including 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.

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 Board of Directors' report, but does not include the financial statements and our auditor's report thereon.
- 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- Based on the work we have performed, we conclude that we have nothing to report in this regard.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 financial statement 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.

Those 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 financial control 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 the 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 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 Company has not paid any remuneration to its directors during the year.
- 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, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position (Refer Note 33(i) to the financial statements).
 - 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.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Geetha Suryanarayanan
Partner
(Membership No. 29519)
(UDIN: 20029519AAAABI8326)

Place: Chennai
Date: April 30, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph “f” under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Mahindra Industrial Park Chennai Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS 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 respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 whether the risk of 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Geetha Suryanarayanan

Partner
(Membership No. 29519)

Place: Chennai
Date: April 30, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative detail and situation of the property, plant and equipment/fixed assets.
- (b) The fixed assets were physically verified during the year by the Management and there were no discrepancies identified during such verification.
- (c) Immovable properties of land, whose title deeds have been pledged as security for loans are held in the name of the Company as per the Memorandum of Deposit of Title deeds executed by the Company and confirmed by the banker.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventories, physical verification of materials and verification of title deeds, site visits by the Management, measurement of land under development and certification of extent of work completion by competent persons are at reasonable intervals and no material discrepancies were noticed on such 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 Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. There were no deposits outstanding at any time during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and 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) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Goods and Service tax, Income Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Goods and Service tax, Service Tax, Income Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income tax, Service Tax and Goods and Services tax as at March 31, 2020 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions. The Company has not issued any debentures. The Company has not taken loans or borrowings from banks and government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge 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) In our opinion and according to the information and explanations given to us, since the Company has not paid/provided managerial remuneration under the provisions of section 197 read with Schedule V to the Companies Act, 2013, reporting under this Clause is not currently applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: April 30, 2020

BALANCE SHEET AS AT MARCH 31, 2020

		(Amounts in INR)	
Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4a	8,70,25,891	8,77,27,635
(b) Capital Work in Progress.....	4b	15,11,32,553	3,75,23,142
(c) Financial Assets			
(i) Other Financial Assets	5	6,58,342	2,98,955
(d) Deferred Tax Asset.....	6	1,42,59,924	2,27,27,679
		<u>25,30,76,710</u>	<u>14,82,77,411</u>
Current assets			
(a) Inventories	7	2,85,61,14,598	2,87,55,38,219
(b) Financial Assets			
(i) Trade Receivables	8	8,25,17,400	–
(ii) Cash and Cash Equivalents	9	1,08,48,176	1,30,06,525
(iii) Other Financial Assets	5	7,891	2,110
(c) Other current assets	10	91,03,347	1,36,48,411
		<u>2,95,85,91,412</u>	<u>2,90,21,95,265</u>
Total Assets		<u>3,21,16,68,122</u>	<u>3,05,04,72,676</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital.....	11	1,70,00,00,000	1,70,00,00,000
(b) Other Equity			
(i) Securities Premium	12	9,00,00,000	9,00,00,000
(ii) Retained Earnings.....	12	(5,84,01,503)	(7,22,56,544)
Total Equity		<u>1,73,15,98,497</u>	<u>1,71,77,43,456</u>
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13A	1,12,30,06,793	1,16,02,56,101
(ii) Other Financial Liabilities.....	14	20,84,455	5,00,000
(b) Provisions	15	9,41,380	9,78,715
		<u>1,12,60,32,628</u>	<u>1,16,17,34,816</u>
Current liabilities			
(a) Financial Liabilities			
(i) Short Term Loans	13B	12,00,00,000	–
(ii) Trade Payable.....			
Total outstanding dues of micro enterprises and small enterprises.....	16	1,87,235	69,274
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,92,98,363	3,75,64,731
(iii) Other Financial Liabilities	14	20,51,25,920	13,12,96,261
(b) Provisions	15	76,071	2,56,793
(c) Other Current Liabilities	17	93,49,408	18,07,345
		<u>35,40,36,997</u>	<u>17,09,94,404</u>
Total Equity and Liabilities		<u>3,21,16,68,122</u>	<u>3,05,04,72,676</u>

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: April 30, 2020

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Sangeeta Prasad
Director
(DIN: 02791944)

Sanjay Srivastava
Director
(DIN: 08188352)

Vaibhav Mittal
Business Head (CEO)

Chaitanya Cherukuri
Chief Financial Officer

Aman J Desai
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	(Amounts in INR)	
		For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from Operations.....	18	40,50,67,500	47,77,50,000
Other Income.....	19	–	35,788
Total income		40,50,67,500	47,77,85,788
Expenses			
Project Development Expenses.....		18,32,17,244	66,61,58,150
(Increase)/Decrease in inventories of work-in-progress and Construction materials.....	20	1,94,23,621	(37,20,35,516)
Employee Benefits Expenses.....	21	3,26,12,622	3,01,55,428
Depreciation Expenses	4	7,08,544	11,77,119
Finance Cost	22	10,64,96,017	13,05,65,147
Other expenses.....	23	4,02,86,656	3,64,26,012
		38,27,44,704	49,24,46,340
Profit/(Loss) before tax		2,23,22,796	(1,46,60,552)
Tax expenses			
Current tax	6	–	–
Deferred tax	6	84,67,755	(41,46,882)
Total tax expenses/(Credit)		84,67,755	(41,46,882)
Profit/(Loss) for the year (A)		1,38,55,041	(1,05,13,670)
Other Comprehensive Income		–	–
Other Comprehensive Income for the year (B)		–	–
Total Comprehensive Income for the year (A+B)		1,38,55,041	(1,05,13,670)
Earnings per equity share	24		
Basic & Diluted			
Equity Shares [nominal value of share Rs 10 (March 31, 2019: Rs 10)]		0.08	(0.06)

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: April 30, 2020

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Sangeeta Prasad
Director
(DIN: 02791944)

Vaibhav Mittal
Business Head (CEO)

Sanjay Srivastava
Director
(DIN: 08188352)

Chaitanya Cherukuri
Chief Financial Officer

Aman J Desai
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	(Amounts in INR)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Profit/(Loss) for the year	2,23,22,796	(1,46,60,552)
Non-cash adjustment to reconcile profit before tax to net cash flows:.....		
Depreciation	7,08,544	11,77,119
Interest Expense.....	10,64,96,017	13,05,65,147
Unrealized Foreign Exchange loss.....	4,43,551	-
Profit from sale of fixed assets	-	(35,788)
Operating Profit/(Losses) before working capital changes	12,99,70,908	11,70,45,926
Working Capital changes and other adjustments:		
(Decrease)/Increase in Trade payables.....	(1,85,91,958)	14,35,621
Increase/(Decrease) in Other Current Liabilities	75,42,063	(61,48,281)
Increase/(Decrease) in Other Financial Liabilities- Current.....	3,69,03,009	6,50,27,689
Increase/(Decrease) in Other Financial Liabilities- Non Current.....	15,84,455	5,00,000
(Decrease)/Increase in Provisions	(2,18,057)	(17,13,976)
(Increase) in Trade receivables.....	(8,25,17,400)	-
Decrease/(Increase) in Inventories.....	1,94,23,621	(37,20,35,516)
(Increase)/Decrease Other Financial assets	(3,65,168)	(2,98,955)
(Increase)/Decrease Other Current Assets	89,40,895	1,87,83,216
Cash generated from/(used in) operations	10,26,72,368	(17,74,04,276)
Direct taxes paid (net of refunds).....	(43,95,831)	-
Net cash from/ (used in) Operating activities (A)	9,82,76,537	(17,74,04,276)
Cash flows from Investing activities		
Payments for property, plant and equipment	(8,61,89,996)	(1,96,72,879)
Proceeds from disposal of property, plant and equipment	-	79,083
Net cash used in Investing activities (B)	(8,61,89,996)	(1,95,93,796)
Cash flows from Financing activities		
Proceeds from Inter Corporate Deposit.....	20,00,00,000	4,50,00,000
Repayment of Inter Corporate Deposit	(8,00,00,000)	(4,50,00,000)
Proceeds from Borrowings	22,50,00,000	48,35,00,000
Repayment of Borrowings	(25,07,00,000)	(20,00,00,000)
Interest Paid.....	(10,85,44,890)	(7,72,73,826)
Net cash (used in)/ from in Financing activities (C).....	(1,42,44,890)	20,62,26,174
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(21,58,349)	92,28,102
Cash and cash equivalents at the beginning of the period.....	1,30,06,525	37,78,423
Cash and cash equivalents at the end of the period	1,08,48,176	1,30,06,525
Components of cash and cash equivalents		
Cash on hand.....	-	-
With banks.....		
- on current account	48,48,176	20,06,525
- Deposit with original maturity of less than three months	60,00,000	1,10,00,000
Total cash and cash equivalents	1,08,48,176	1,30,06,525

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: April 30, 2020

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Sangeeta Prasad
Director
(DIN: 02791944)

Sanjay Srivastava
Director
(DIN: 08188352)

Vaibhav Mittal
Business Head (CEO)

Chaitanya Cherukuri
Chief Financial Officer

Aman J Desai
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity Share Capital

Particulars	No. of Shares	Amount in INR
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April, 2018	17,00,00,000	1,70,00,00,000
Issued during the year	—	—
At 31 March, 2019	17,00,00,000	1,70,00,00,000
Issued during the year	—	—
As at 31 March, 2020	17,00,00,000	1,70,00,00,000

B. Other Equity

Particulars	Amounts in INR		
	Reserves and Surplus		
	Securities Premium	Retained earnings	Total
As at 1 April, 2018	9,00,00,000	(6,17,42,874)	2,82,57,126
Loss for the year	—	(1,05,13,670)	(1,05,13,670)
Other Comprehensive Income/(Loss)	—	—	—
As at 31 March, 2019	9,00,00,000	(7,22,56,544)	1,77,43,456
Profit for the year	—	1,38,55,041	1,38,55,041
Other Comprehensive Income/(Loss)	—	—	—
As at 31 March, 2020	9,00,00,000	(5,84,01,503)	3,15,98,497

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: April 30, 2020

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Sangeeta Prasad
Director
(DIN: 02791944)

Vaibhav Mittal
Business Head (CEO)

Sanjay Srivastava
Director
(DIN: 08188352)

Chaitanya Cherukuri
Chief Financial Officer

Aman J Desai
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. General Information

Mahindra Industrial Park Chennai Limited ("the Company") was incorporated on December 22, 2014. The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company is developing a 260-acre Industrial Park in North Chennai on NH 15.

The Company is a joint venture between Mahindra World City Developers Limited and Sumitomo Corporation SC of Japan.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (to the extent notified and applicable). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of preparation and presentation

The financial statements of the company have been prepared on the assumption of going concern basis Refer 2.12 –COVID 19 assessment for the basis of evaluation made by the management.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Income from sale of land

Revenue from sale is recognized upon transfer of title to the acquirer.

2.3.3. Income from O&M

Income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.3.4. Dividend and interest income

Dividend income from investment in mutual funds is recognised

when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.4.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates applicable for the financial year.

2.4.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.4.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.5 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.6 Goods and Services Tax (GST)

GST credit on materials purchased/services availed for construction/ Input services are taken into account at the time of purchase. GST input credit is accounted for in the books in the period in which the underlying service/goods received is accounted and when there is no uncertainty in availing/ utilising the credits. GST credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. The GST credits so taken are utilised for payment of GST on sale of land. The unutilised GST credit is carried forward in the books.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in progress includes cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.9 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11.1 Onerous contracts

Present obligations arising under onerous contracts are

recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain/loss arising out of such translation is adjusted to the Statement of profit and loss.

2.14 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.14.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.14.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.14.3 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.14.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial

instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.14.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.15 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.15.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.15.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.15.1.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.15.1.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The

difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in the other comprehensive income is reflected immediately in the retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

4 a. Property, Plant and Equipment

Current Year 2019-20:

(Amounts in INR)

Description of Assets	Land*	Vehicles	Plant & Machinery	Electronic Equipment	Furniture & Fixtures	Computers	Total
I. Gross Carrying Amount							
Balance as at 1 April, 2019.....	8,62,85,761	—	6,59,165	5,59,188	5,57,952	5,34,802	8,85,96,868
Additions	—	—	—	6,800	—	—	6,800
Disposals	—	—	—	—	—	—	—
Balance as at 31 March, 2020	8,62,85,761	—	6,59,165	5,65,988	5,57,952	5,34,802	8,86,03,668
II. Accumulated depreciation and impairment							
Balance as at 1 April, 2019.....	—	—	2,52,884	1,97,122	2,14,054	2,05,173	8,69,233
Depreciation expense for the year	—	—	2,02,863	1,69,378	1,71,714	1,64,589	7,08,544
Eliminated on disposal of assets	—	—	—	—	—	—	—
Balance as at 31 March, 2020	—	—	4,55,747	3,66,500	3,85,768	3,69,762	15,77,777
III. Net carrying amount (I-II)							
Balance as at 31 March, 2020.....	8,62,85,761	—	2,03,418	1,99,488	1,72,184	1,65,040	8,70,25,891

Previous Year 2018-19:

Description of Assets	Land*	Vehicles	Plant & Machinery	Electronic Equipment	Furniture & Fixtures	Computers	Total
I. Gross Carrying Amount							
Balance as at 1 April, 2018.....	8,62,85,761	11,28,750	6,59,165	4,60,988	5,57,952	5,34,802	8,96,27,418
Additions	—	—	—	98,200	—	—	98,200
Disposals	—	(11,28,750)	—	—	—	—	(11,28,750)
Balance as at 31 March, 2019.....	8,62,85,761	—	6,59,165	5,59,188	5,57,952	5,34,802	8,85,96,868
II. Accumulated depreciation and impairment							
Balance as at 1 April, 2018.....	—	6,09,642	50,021	34,982	42,340	40,584	7,77,569
Depreciation expense for the year	—	4,75,813	2,02,863	1,62,140	1,71,714	1,64,589	11,77,119
Eliminated on disposal of assets	—	(10,85,455)	—	—	—	—	(10,85,455)
Balance as at 31 March, 2019.....	—	—	2,52,884	1,97,122	2,14,054	2,05,173	8,69,233
III. Net carrying amount (I-II)							
Balance as at 31 March, 2019.....	8,62,85,761	—	4,06,281	3,62,066	3,43,898	3,29,629	8,77,27,635

Refer notes on accounts for Company's policy on recognition and measurement of Property Plant , Equipment and Depreciation Methods used.

* These lands are given under mortgage to HDFC Limited against the term loan facility. Refer note no. 13A (iii)

4 b. Capital work in progress

Movement of Capital work in progress

(Amounts in INR)

Particulars	31 March 2020	31 March 2019
Opening Balance.....	3,75,23,142	3,17,763
Additions	11,32,27,473	3,34,32,661
Advances made to vendors towards capital assets procurement	3,81,938	37,72,718
Subtotal	15,11,32,553	3,75,23,142
Capitalised during the year.....	—	—
Closing Balance.....	15,11,32,553	3,75,23,142

5. Other Financial assets

(Amounts in INR)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Interest accrued on Fixed Deposit.....	—	7,891	—	2,110
Security Deposits.....	6,58,342	—	2,98,955	—
Total Other Financial assets.....	6,58,342	7,891	2,98,955	2,110

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

6. Income Tax

(a) Income Tax recognised in profit or loss

(Amounts in INR)

Particulars	31 March 2020	31 March 2019	Particulars	31 March 2020	31 March 2019
Current Tax:			Expected Income tax expense	56,18,201	(42,69,153)
In respect of current year	—	—	Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Unrecognised tax loss used to reduce current tax expense	—	—	Effect in deferred tax asset due to changes in tax rates in current year	30,84,471	(1,96,620)
Deferred Tax:	84,67,755	(41,46,882)	Effect of other permanent differences	25,168	—
Total income tax expense on income from operations	84,67,755	(41,46,882)	Others	(2,60,085)	3,18,891

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Amounts in INR)

Particulars	31 March 2020	31 March 2019	Particulars	31 March 2020	31 March 2019
Profit/(Loss) before tax	2,23,22,796	(1,46,60,552)	Reported income tax expense	84,67,755	(41,46,882)
Applicable Income tax rate	25.17%	29.12%			

(c) Movement in deferred tax balances

(Amounts in INR)

Particulars	For the Year ended 31 March 2020			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax Liability</u>				
Total Deferred Tax Liability	—	—	—	—
<u>Tax effect of items constituting deferred tax assets</u>				
On Expenses allowed on payment basis	3,59,780	(1,03,708)	—	2,56,072
Carry Forward of Losses	2,22,84,533	(85,96,075)	—	1,36,88,458
Property, Plant and Equipment	83,366	2,32,028	—	3,15,394
Total Deferred Tax Asset	2,27,27,679	(84,67,755)	—	1,42,59,924
Net Deferred Tax Asset	2,27,27,679	(84,67,755)	—	1,42,59,924
Particulars	For the Year ended 31 March 2019			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax Liability</u>				
Total Deferred Tax Liability	—	—	—	—
<u>Tax effect of items constituting deferred tax assets</u>				
On Expenses allowed on payment basis	7,55,398	(3,95,618)	—	3,59,780
Carry Forward of Losses	1,75,02,955	47,81,578	—	2,22,84,533
Interest Rate capitalisation-ICDS	1,96,620	(1,96,620)	—	—
Property, Plant and Equipment	1,25,824	(42,458)	—	83,366
Total Deferred Tax Asset	1,85,80,797	41,46,882	—	2,27,27,679

As per IND AS -12 , Taxes on Income, Deferred tax assets shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Management expects with reasonable probability to generate adequate taxable profits to set off the carry forward losses in the near future.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

7. Inventories

Particulars	(Amounts in INR)	
	As at 31 March 2020	As at 31 March 2019
Work in progress (representing cost of land and development expenditure including borrowing costs).....	2,84,99,94,874	2,86,67,98,548
Materials in stock	61,19,724	87,39,671
Total Inventories	2,85,61,14,598	2,87,55,38,219

- 7.1 Inventories are stated at the lower of cost and net realisable value. Based on detailed assessment and evaluation of impact of the COVID-19 pandemic, the management concluded that the realisable value of these inventories will not be lower than the carrying value as stated above.
- 7.2 Part of these lands included under work in progress are given under mortgage to HDFC Limited against the term loan facility. Refer note no. 13A(iii)
- 7.3 The Cost of projects charged to Statement of Profit and Loss in respect of lands given on lease during the year is INR. 28,02,92,553 (Previous Year: INR 41,18,16,469).

8. Trade Receivables

Particulars	(Amounts in INR)	
	As at 31 March 2020	As at 31 March 2019
Trade Receivables:		
Unsecured Considered Good.....	8,25,17,400	—
Total Trade Receivables.....	8,25,17,400	—

The above receivable is from an existing lessee; The company has been informed that consequent to the lock down, necessary approvals is pending from Reserve Bank of India which is impacting timely settlement by the lessee. The Company has given extended credit towards the receivable based on the payment commitment from the lessee.

9. Cash and bank balances

Particulars	(Amounts in INR)	
	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Balances with banks:		
— On current account	48,48,176	20,06,525
— Deposits with original maturity of less than three months	60,00,000	1,10,00,000
Cash on hand	—	—
Total Cash and cash equivalents.....	1,08,48,176	1,30,06,525

10. Other current assets

Particulars	(Amounts in INR)	
	As at 31 March 2020	As at 31 March 2019
Advances to suppliers		
Unsecured considered good	—	14,43,401
	—	14,43,401
Others		
Prepaid expenses.....	11,29,360	2,79,699
Balances with statutory/government authorities	—	84,55,434
Income tax balances.....	78,65,708	34,69,877
Other Receivables	1,08,279	—
Total Other current Assets.....	91,03,347	1,36,48,411

11. Share capital

Particulars	(Amounts in INR)	
	As at 31 March 2020	As at 31 March 2019
Authorized shares		
17,00,00,000 Ordinary Equity Shares of INR10 each.....	1,70,00,00,000	1,70,00,00,000
	1,70,00,00,000	1,70,00,00,000

Issued, subscribed and fully paid-up shares

17,00,00,000 Ordinary Equity Shares of INR10 each.....	1,70,00,00,000	1,70,00,00,000
Total issued, subscribed and fully paid-up share capital.....	1,70,00,00,000	1,70,00,00,000

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	(Amounts in INR)		
	Opening Balance	Changes during the year	Closing Balance
Equity Shares			
Year Ended March 31, 2019			
No. of Shares	17,00,00,000	—	17,00,00,000
Amount.....	1,70,00,00,000	—	1,70,00,00,000
Year Ended March 31, 2020			
No. of Shares.....	17,00,00,000	—	17,00,00,000
Amount	1,70,00,00,000	—	1,70,00,00,000

(a) Terms/ rights attached to equity shares

The Company has only one class of Equity Shares having a par value of INR 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

The dividends if any proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting.

Repayment of capital will be in proportion to the number of equity shares held.

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	No.	% holding in the class	No.	% holding in the class
Equity shares with voting rights				
Mahindra World City Developers Limited	10,20,00,000	60%	10,20,00,000	60%
Sumitomo Corporation, Japan..	6,80,00,000	40%	6,80,00,000	40%
(The above Enterprises have joint control over the Company)				

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

12. Other Equity

(Amounts in INR)

Particulars	<u>Reserves and Surplus</u>		Total
	Securities Premium	Retained earnings	
As at 1 April, 2018	9,00,00,000	(6,17,42,874)	2,82,57,126
(Loss) for the year.....	—	(1,05,13,670)	(1,05,13,670)
Other Comprehensive Income	—	—	—
As at 31 March, 2019.....	9,00,00,000	(7,22,56,544)	1,77,43,456
Profit for the year.....	—	1,38,55,041	1,38,55,041
Other Comprehensive Income	—	—	—
As at 31 March, 2020.....	<u>9,00,00,000</u>	<u>(5,84,01,503)</u>	<u>3,15,98,497</u>

13A. Non current borrowings

Details of Long term Borrowings of the Company:

(Amounts in INR)

Description of the instrument	Currency of Loan	Effective Interest Rate used for Discounting Cashflows	Coupon Rate	Repayment Bullet (or) Instalment	Number of Instalments	Amortised cost as at 31 March 2020	Amortised cost as at 31 March 2019
A. Secured Borrowings:							
a) Term Loans							
(1) From HDFC Limited	INR	11.58%	10% - 12%	Quarterly Instalment	16	—	21,23,80,237
(2) From HDFC Limited	INR	9.95%	9.5% - 12%	Quarterly Instalment	16	<u>1,12,30,06,793</u>	<u>94,78,75,864</u>
Total Secured Borrowings						<u>1,12,30,06,793</u>	<u>1,16,02,56,101</u>
Total non current borrowings						<u>1,12,30,06,793</u>	<u>1,16,02,56,101</u>

Term Loan from HDFC Limited

- (i) Term Loan 1: This term Loan carried an interest of HDFC CPLR - 740 points, i.e. @ 11.95% payable at every month end and the principal was to be repaid in 16 equal quarterly instalments, commencing from Feb 2022, after a moratorium of 72 months. This loan is was entirely repaid on 10th April, 2019 out of lease proceeds received.
- (ii) Term Loan 2: This term Loan carries an interest of HDFC CPLR - 825 points. Principal is to be repaid in 16 equal quarterly instalments, commencing from June 2023, after a moratorium of 72 months. Current rate of interest is 10.25% payable annually at the end of September. During the year, in November 2019, HDFC Ltd has mandated opening of an Escrow account in which all lease proceeds shall be deposited, of which 30% shall be adjusted against the principal outstanding. While the Company is in the process of opening an Escrow account as at the balance sheet date, based on the above covenant, 30% of lease premium since received has been used in repayment of principal.
- (iii) The loans are secured by equitable Mortgage by deposit of title deeds of 176.93 acres of land in Gummidipoondi and Ponneri Taluk with carrying value on INR 21795 Lakhs (PY 193.81 acres with a carrying value of INR 17045 Lakhs).

13B. Short Term Loan (Amortised cost)

(Amounts in INR)

Description of the instrument	Currency of Loan	Coupon Rate	As at 31 March 2020	As at 31 March 2019
A. Unsecured Borrowings at amortised cost:				
From Mahindra Residential Developers Limited - Loan repayable on demand after 3 months from the date of draw down	INR	9.50%	12,00,00,000	—
Total Unsecured Borrowings			<u>12,00,00,000</u>	—
Total Short Term Loans			<u>12,00,00,000</u>	—

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

14. Other Financial liabilities

Particulars	(Amounts in INR)	
	As at 31 March 2020	As at 31 March 2019
Non Current		
Security Advances received	20,84,455	5,00,000
	<u>20,84,455</u>	<u>5,00,000</u>
Current		
Capital Creditors*	4,01,31,448	1,76,30,701
Interest Accrued but not due on borrowings	6,30,63,775	4,86,37,871
Accrued Expenses	8,89,30,697	6,50,27,689
Security deposit received from Customer	1,30,00,000	—
	<u>20,51,25,920</u>	<u>13,12,96,261</u>
Total Other Financial Liabilities	20,72,10,375	13,17,96,261

* Capital creditors include payables to vendors registered under MSMED Act INR 25,52,804/- (Previous year INR 15,90,216/-)

15. Provisions

Particulars	(Amounts in INR)	
	As at 31 March 2020	As at 31 March 2019
Non Current		
Provision for Gratuity	5,02,660	6,18,932
Provision for Compensated Absences	4,38,720	3,59,783
Total Non Current Provisions	9,41,380	9,78,715
Current		
Provision for Gratuity	28,141	1,60,725
Provision for Compensated Absences	47,930	96,068
Total Current Provisions	76,071	2,56,793

16. Trade Payables

Particulars	(Amounts in INR)	
	As at 31 March 2020	As at 31 March 2019
Trade payable - Micro and small enterprises	1,87,235	69,274
Trade payable - Other than micro and small enterprises	1,92,98,363	3,75,64,731
	<u>1,94,85,598</u>	<u>3,76,34,005</u>

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as at the balance sheet or any time during the year. Accordingly there is no interest paid or payable. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

17. Other Current Liabilities

Particulars	(Amounts in INR)	
	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	93,49,408	18,07,345
Total Other Current Liabilities	93,49,408	18,07,345

18. Revenue from Operations

Particulars	(Amounts in INR)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Land Lease Premium	40,50,17,500	47,77,50,000
Other Operating income	50,000	—
Total Revenue from Operations	40,50,67,500	47,77,50,000

19. Other Income

Particulars	(Amounts in INR)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit on sale of asset	—	35,788
Total Other Income	—	35,788

20. (Increase)/Decrease in inventories of work-in-progress and materials in stock

Particulars	(Amounts in INR)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening Stock		
Work-in-progress*	2,86,67,98,548	2,49,25,20,414
Materials in stock	87,39,671	1,09,82,289
Total Opening Stock	2,87,55,38,219	2,50,35,02,703
Closing Stock		
Work-in-progress*	2,84,99,94,874	2,86,67,98,548
Materials in stock	61,19,724	87,39,671
Total Closing Stock	2,85,61,14,598	2,87,55,38,219
Total (Increase)/Decrease in inventories of work-in-progress and materials in stock	1,94,23,621	(37,20,35,516)

*Work-in-progress includes cost of land, development expenditure and borrowing costs inventorised.

21. Employee Benefits Expense

Particulars	(Amounts in INR)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries & Wages	3,10,89,570	2,82,16,641
Contribution to provident and other funds	5,37,350	5,39,083
Staff welfare expenses	9,85,702	13,99,704
Total Employee Benefits Expense	3,26,12,622	3,01,55,428

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

22. Finance Costs

Particulars	(Amounts in INR)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on Term Loan.....	10,54,50,242	12,95,61,584
Interest on loan- others.....	59,71,244	10,03,563
Less: Interest cost transferred to CWIP.....	(49,25,469)	—
Total*	10,64,96,017	13,05,65,147
* Of the above, interest cost added to Work in progress inventory.....	7,69,70,647	11,70,42,748
Interest earned out of temporary parking of borrowed funds and netted off against this expense:	4,94,726	3,21,473

Analysis of Interest Expenses by Category

Particulars	(Amounts in INR)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest Expenses		
On Financial Liability at Amortised Cost.....	11,14,21,486	13,05,65,147

23. Other expenses

Particulars	(Amounts in INR)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent*	8,28,000	8,04,000
Insurance expenses	3,15,653	4,40,036
Legal and professional fees	56,29,276	55,54,633
Payment to auditor (Refer details below)	9,58,007	9,00,000
Commission	1,82,25,787	2,14,98,750
Foreign Exchange Loss	18,29,181	—
Advertisement, Marketing & Business Development.....	79,06,257	31,44,657
Travelling & Conveyance.....	25,27,442	18,93,954
Directors Sitting fees.....	2,00,000	2,40,000
Printing & Stationery.....	2,21,190	1,95,321
Rates & Taxes incl. ROC filing fees	6,678	2,72,327
Repairs & Maintenance.....	6,53,334	6,28,798
Communication and network expenses.....	8,50,008	8,34,609
Donations	1,00,000	—
Bank Charges	12,714	14,223
Miscellaneous Expenses	23,129	4,704
Total Other expenses	4,02,86,656	3,64,26,012

*towards operating lease of premises occupied by the company, cancellable at the option of both the parties to the lease.

Particulars	(Amounts in INR)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Payment to auditor (excluding taxes)		
Audit Fees	7,00,000	7,00,000
Certification and Other Services	2,00,000	2,00,000
Out of Pocket Expenses	58,007	—
	9,58,007	9,00,000

24. Earnings per share (EPS)

Particulars	(Amounts in INR)	
	31 March 2020 Per Share	31 March 2019 Per Share
Basic/Diluted Earnings per share		
From continuing operations (INR) per share.....	0.08	(0.06)
Total basic/diluted earnings per share	0.08	(0.06)

Basic/Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	31 March 2020	31 March 2019
Profit/(Loss) for the year attributable to owners of the Company	1,38,55,041	(1,05,13,670)
Weighted average number of equity shares.....	17,00,00,000	17,00,00,000
Earnings per share from continuing operations - Basic/Diluted	0.08	(0.06)

25. Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognized INR 5,37,350 (Previous Year : INR 5,59,083) for Provident fund & Other funds contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 21 Employee benefits expense. The details of actuarial valuation are given below:

	(Amounts in INR)	
	Gratuity (Un-Funded) 2019-20	2018-19
i. Net Asset/ (Liability) recognized in the balance sheet		
Present Value of Defined Benefit Obligation	5,30,801	7,79,657
Fair Value of Plan assets	—	—
Liability (Asset) recognised in the balance sheet	5,30,801	7,79,657
ii. Expense recognized in the Statement of Profit & Loss		
Past service cost.....	—	—
Current Service cost.....	1,20,782	1,16,050
Interest cost	36,645	65,153
Expected return on plan assets.....	—	—
Actuarial (gains)/Losses	1,11,983	5,18,582
Total expenses	2,69,410	6,99,785
iii. Amounts recognized in other comprehensive income	—	—
iv. Change in present value of Defined Benefit obligation		
Present Value of the obligation at the beginning of the year	7,79,657	16,34,680
Past service cost.....	—	—
Current Service cost	1,20,782	1,16,050
Interest Cost	36,645	65,153
Actuarial (Gains) /Losses	1,11,983	5,18,582
Benefits Paid	(5,18,266)	(15,54,808)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	(Amounts in INR)	
	Gratuity (Un-Funded)	
	2019-20	2018-19
Present value of the obligation as at the end of the year	5,30,801	7,79,657

v. Principal actuarial assumptions

Discount Rate.....	6.50%	7.04%
Salary Growth Rate	10.00%	10.00%
Attrition rate.....	10.00%	20.00%

- vi Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Year	Change in Assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount Rate	2020	0.50%	5,04,726	5,59,216
	2019	0.50%	15,81,339	16,91,431
Salary Growth Rate	2020	0.50%	5,59,214	5,04,235
	2019	0.50%	16,61,716	16,08,152

Maturity profile of defined benefit obligation:

	2019-20	2018-19
Year 1	24,317	1,42,733
Year 2	24,082	1,25,482
Year 3	28,198	1,10,311
Year 4	36,007	99,039
Year 5	45,710	89,389
Next 5 Years	2,21,642	3,08,504

c) Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation are as given below:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.50%	7.04%
Salary Growth rate.....	10.00%	10.00%
Attrition rate	10.00%	20.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

26. Related party disclosures

Names of related parties and related party relationship

Enterprises having joint control over the Company:	Mahindra World City Developers Limited Sumitomo Corporation, Japan
Entity in which director is interested:	ASA & Associates, LLP
Key managerial persons:	
Chief Financial Officer	Chaitanya Cherukuri
Company Secretary	Mr. Aman Desai
Business Head	Mr Shyam Kalyanasundaram (Upto 31 January 2019) Mr.Vaibhav Mittal (wef 19 April,2019)

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions with Related Parties	For the year ended	(Amounts in INR)			
		Mahindra World City Developers Limited	Sumitomo Corporation, Japan	ASA & Associates, LLP	KMP
Purchase of Land	31-Mar-20	4,49,80,000	—	—	—
	31-Mar-19	28,63,25,000	—	—	—
Professional services received	31-Mar-20	52,16,000	—	—	—
	31-Mar-19	72,00,000	—	5,00,000	—
Commission	31-Mar-20	—	1,82,25,787	—	—
	31-Mar-19	—	2,14,98,750	—	—
Professional services charged	31-Mar-20	13,20,000	—	—	—
	31-Mar-19	12,00,000	—	—	—
Others Services received	31-Mar-20	3,93,343	—	—	—
	31-Mar-19	7,45,496	—	—	—
Reimbursement of Expenses-Given	31-Mar-20	38,64,107	—	—	—
	31-Mar-19	4,28,43,977	—	—	—
Reimbursement of Expenses-Taken	31-Mar-20	3,96,659	—	—	—
	31-Mar-19	—	—	—	—
Sale of Fixed Asset (Car)	31-Mar-20	—	—	—	—
	31-Mar-19	—	—	—	79,068

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amounts in INR)					
Nature of transactions with Related Parties	For the year ended	Mahindra World City Developers Limited	Sumitomo Corporation, Japan	ASA & Associates, LLP	KMP
Managerial remuneration					
- Business Head	31-Mar-20	–	–	–	72,63,804
	31-Mar-19	–	–	–	79,61,184
- Company Secretary	31-Mar-20	–	–	–	7,63,578
	31-Mar-19	–	–	–	5,89,808
- Chief Financial Officer	31-Mar-20	–	–	–	21,77,545
	31-Mar-19	–	–	–	17,59,476

The following table provides the balances with related parties as on the relevant date:

(Amounts in INR)			
Nature of Balances with Related Parties	Balance as on	Mahindra World City Developers Limited	Sumitomo Corporation, Japan
Payable	31-Mar-20	3,34,363	86,99,583
	31-Mar-19	1,35,614	1,93,48,875

27 Fair Values

The following tables show the carrying amount and fair values of financial assets and financial liabilities by categories:

(Amounts in INR)				
Particulars	Carrying Value		Fair value as at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Financial assets.....				
Cash and Cash Equivalents.....	1,08,48,176	1,30,06,525	1,08,48,176	1,30,06,525
Other Financial Assets	6,66,233	3,01,065	6,66,233	3,01,065
Trade Receivables.....	8,25,17,400	–	8,25,17,400	–
Total financial assets.....	9,40,31,809	1,33,07,590	9,40,31,809	1,33,07,590
Financial liabilities				
Borrowings	1,12,30,06,793	1,16,02,56,101	1,12,30,06,793	1,16,02,56,101
Short Term Loans.....	12,00,00,000	–	12,00,00,000	–
Trade Payables	1,94,85,598	3,76,34,005	1,94,85,598	3,76,34,005
Other Financial Liabilities.....	20,72,10,375	13,17,96,261	20,72,10,375	13,17,96,261
Total financial liabilities.....	1,46,97,02,766	1,32,96,86,367	1,46,97,02,766	1,32,96,86,367

The management assessed that the fair value of cash and cash equivalents, trade receivables, other financial assets and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the Company's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

28. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets

and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Management's impact assessment on the COVID -19 pandemic:

The company assessed its performance and future business projections in light of the developments post the epidemic outbreak worldwide and has reassessed the impact that it may cause on the company's financial and operational performance. The company may experience a delay in getting new prospects and signing of lease deeds, which may have an impact on the inflow of receivables, during the lock down period. However, the management expects the company to resume normalcy within a period of 3 to 4 months post lockdown with some impact on overall collections through the financial year. The company has sufficient inflows and term loan facilities available to meet the project costs and pay off the vendors and bankers in the immediate 12 months from the date of approval of these financial statements. The company expects no additional inflow of capital towards currently planned development. Based on the above assessment, the management is of the view that company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

Judgements

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

Estimates

Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables and contract costs, the Company has considered internal and external information up to the date of approval of these financial statements including Government policies, commitments made during the Global Investors' Meet in Tamilnadu, credit reports and economic forecasts. The Company has

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Taxes

Deferred tax assets are recognised for unused tax losses and other temporary differences leading to deferred tax assets to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Estimation of net realisable value for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories under construction is assessed with reference to the market prices at the reporting date less estimated costs to complete the construction and less an estimate of the time value of money to the date of completion if material. The market prices bear reference to the recent selling prices. The costs to complete the construction are estimated by management.

Fair value measurement of financial instruments

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

29 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the weighted cost of capital.

In order to maintain or adjust the capital structure , the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell non-core assets to reduce the debt.

The Company is not subject to any externally imposed capital requirements.

Debt-to-equity ratio as of 31 March, 2020 and 31 March, 2019 is as follows:

(Amounts in INR)

	31-Mar-2020	31-Mar-2019
Debt (A)	1,30,60,70,568	1,20,88,93,972
Equity (B)	1,73,15,98,497	1,71,77,43,456
Debt Equity Ratio (A/B)	0.75	0.70

Categories of financial assets and financial liabilities

(Amounts in INR)

	As at 31 March 2020			
	Amortised Costs	FVTPL	FVOCI	Total
Non- Current Assets				
Other financial assets	6,58,342	—	—	6,58,342
Current Assets				
Trade Receivables	8,25,17,400	—	—	8,25,17,400
Cash and Cash equivalents	1,08,48,176	—	—	1,08,48,176
Other financial assets	7,891	—	—	7,891
	9,40,31,809	—	—	9,40,31,809
Non-current Liabilities				
Borrowings	1,12,30,06,793	—	—	1,12,30,06,793
Other financial liabilities	20,84,455	—	—	20,84,455
Current Liabilities				
Short Term Loan	12,00,00,000	—	—	12,00,00,000
Trade Payables	1,94,85,598	—	—	1,94,85,598
Other financial liabilities	20,51,25,920	—	—	20,51,25,920
	1,46,97,02,766	—	—	1,46,97,02,766

(Amounts in INR)

	As at 31 March 2019			
	Amortised Costs	FVTPL	FVOCI	Total
Non- Current Assets				
Other financial assets	2,98,955	—	—	2,98,955
Current Assets				
Cash and Cash equivalents	1,30,06,525	—	—	1,30,06,525
Other financial assets	2,110	—	—	2,110
	1,33,07,590	—	—	1,33,07,590

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amounts in INR)			
As at 31 March 2019			
	Amortised Costs	FVTPL	FVOCI
			Total
Non-current Liabilities			
Borrowings	1,16,02,56,101	–	–
Other financial liabilities	5,00,000	–	–
Current Liabilities			
Trade Payables	3,76,34,005	–	–
Other financial liabilities	13,12,96,261	–	–
	1,32,96,86,367	–	–

30 Financial Risk Management Framework

The Company's principal financial liabilities comprises of borrowings, The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that are directly derived out of equity.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

Credit risk related to financial instruments

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. The Company has not created any Investments of surplus funds in any other instruments as of date and hence the company is not exposed to any credit risk in this respect.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Amounts in INR)			
Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years
			5 years and above
Non-derivative financial liabilities			
31-Mar-20			
Trade and other payables.....	1,94,85,598	–	–
Variable interest rate instruments.....	12,00,00,000	–	1,14,08,00,000
Total	13,94,85,598	–	1,14,08,00,000
31-Mar-19			
Trade and other payables	3,76,34,005	–	–
Variable interest rate instruments*...	–	–	1,16,65,00,000
Total	3,76,34,005	–	1,16,65,00,000

*Of the above INR 20 cr repaid on April 10 , 2019

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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Company undertakes transactions denominated in foreign currencies only for the purchases of the components which are required to be imported for carry out the construction activities; consequently, exposures to exchange rate fluctuations arise, but the same is very nominal in nature as compared to the size of the operations if the Company.

The Company manages its foreign currency risk by forward contracts that are expected to occur within a maximum 12 month from the entering of a contract.

The Company's exposure to foreign currency changes for all other currencies is not material.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

As at 31st March, 2020 and 31st March, 2019 100% of borrowings are at Variable rate.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	(Amounts in INR)	
	Increase/ decrease in basis points	Effect on financial statements* (Increase)/ Decrease
31-Mar-20		
INR	+50	(63,04,000)
INR	-50	63,04,000
31-Mar-19		
INR	+50	(58,32,500)
INR	-50	58,32,500

* Since the finance cost of the company is being capitalised to qualifying assets, the impact as above will be on the carrying value of inventory.

31. Capital & other Commitments

Estimated amount of contracts remaining to be executed towards construction of capital assets as at March 31, 2020 - INR 2,04,83,473 (As at March 31, 2019- INR 10,79,73,227).

32. Segment information

Based on the internal reporting provided to the Chief Operating Decision Maker (CODM), business of acquiring, development and maintenance of industrial parks is the only reportable segment of the Company. Accordingly, the amounts appearing in these financial statements relate to this operating segment. Further the company does not have any separate geographic segment other than India.

33 Other Notes

- The Company does not have any pending litigations which will impact its financial position as at March 31, 2020.
- The Company does not have any long-term contracts requiring provision for any material foreseeable losses.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- The Company has not made any donations to Political parties during the year.
- As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013, the provisions relating to Corporate Social Responsibility (CSR) are currently not applicable to the Company.
- The Company has an unhedged foreign exchange exposure as at March 31, 2020 as follows:

Particulars	Currency	Amount in Foreign Currency	Amount in INR.
Trade Payable	USD	1,14,975	86,99,583

34 Approval of financial statements

The above financial statements presented by the management for the year ended 31 March, 2020 were reviewed by the Board of Directors at their meeting held on 15 April, 2020 and approved by them on 30 April, 2020 upon review of the audited financial statements.

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Sangeeta Prasad
Director
(DIN: 02791944)

Sanjay Srivastava
Director
(DIN: 08188352)

Vaibhav Mittal
Business Head (CEO)

Chaitanya Cherukuri
Chief Financial Officer

Aman J Desai
Company Secretary

Place: Chennai
Date: April 30, 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA HOMES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Mahindra Homes Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity for the year then ended, and a summary of 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 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 27 of the financial statements, which describes that the potential impact of COVID-19 pandemic on the financial statements of the Company are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include financial statements and our auditor's report thereon.
- 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 and, in doing so, consider whether the other information is materially

inconsistent with the 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 on the other information that we obtained prior to the date of this auditor's report, 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 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 financial statement 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.

Those 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 financial control 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 the 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 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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 Company has not paid any managerial remuneration during the year, hence section 197 of the Act related to the managerial remuneration is not applicable.
- 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, 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 the financial statements.
 - 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.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner

Place: Mumbai
Date: 8th May 2020

Membership No. 100459
(UDIN: 20100459AAAAJL7842)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Mahindra Homes Private Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the Ind AS 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, 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 31st March 2020, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Ketan Vora
Partner

Place: Mumbai
Date: 8th May 2020

Membership No. 100459
(UDIN: 20100459AAAAJL7842)

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Mahindra Homes Private Limited of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) The fixed assets (Property Plant and Equipment) were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets (Property Plant and Equipment) at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building other than administrative block and project facilities, temporarily constructed at project sites and capitalized as Buildings, hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on 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.
- (iv) The Company has not granted any loans or provided guarantees, under the provisions of Section 185 of the Act. Provisions of Section 186 are not applicable to the Company, it being a Company engaged in the business of providing infrastructure facilities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable and hence reporting under clause 3 (v) of Order is also not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government

under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and 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) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Value added tax, cess and other material statutory dues applicable to it to the appropriate authorities. The provisions of Provident Fund, Employees’ State Insurance and Excise Duty are not applicable to the operations of the Company.
 - (b) There were no undisputed amounts payable in respect of Income tax, Goods and Service tax, Sales Tax, Service Tax, Customs Duty, Value added tax ,cess and other material statutory dues in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Goods and Service tax and Value added tax which have not been deposited as on 31 March, 2020 on account of disputes except as given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount In Rs. Lakhs
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	FY 2013-14	30.06 #
Finance Act, 1994	Service Tax	Joint Commissioner	FY 2015-16 to FY 2017-18	153.76
Finance Act, 1994	Service Tax	Joint Commissioner	FY 2014-15 to FY 2017-18	74.58

Net of Rs 7.51 lakhs paid under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to Banks and dues to debenture holders. The Company has not taken any loans or borrowings from financial institutions and government.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

- (x) To the best of our knowledge 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) In our opinion and according to the information and explanations given to us, the Company has not paid or provided any managerial remuneration during the year, hence compliance with the provisions of Section 197, read with Schedule V of the Act are not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, in terms of Rule 4 of the Companies (Appointment and qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provisions of Section 177 of the Act are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the Company has complied with other provisions of Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai
Date: 8th May 2020

Ketan Vora
Partner
Membership No. 100459
(UDIN: 20100459AAAAJL7842)

BALANCE SHEET AS AT MARCH 31, 2020

			(Rs. in Lakh)
		As at	As at
	Note No.	March 31, 2020	March 31, 2019
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment.....	3	19.24	120.31
(b) Other Financial Assets	9	84.38	54.68
(c) Deferred Tax Assets (Net)	4	—	2,241.01
(d) Other Non-current assets.....	5	734.91	385.84
Total Non-current Assets		838.53	2,801.84
2 Current assets			
(a) Inventories.....	6	62,164.11	86,760.77
(b) Financial assets			
(i) Trade Receivables.....	7	2,398.50	1,529.58
(ii) Cash and Cash Equivalents.....	8	3,199.79	1,722.69
(iii) Bank Balances other than (ii) above.....	8	4,256.62	1,861.90
(iv) Other Financial Assets	9	8.42	26.26
(c) Other current assets	5	30,061.97	53,541.91
Total Current Assets		102,089.41	145,443.11
TOTAL ASSETS (1+2)		102,927.94	148,244.95
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital.....	10	95.14	82.33
(b) Other Equity.....	11	42,571.01	(2,513.93)
Total Equity.....		42,666.15	(2,431.60)
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings.....	12	3,000.00	70,034.00
Total Non-Current Liabilities.....		3,000.00	70,034.00
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings.....	12	4,728.12	5,158.15
(ii) Trade Payables.....			
Total outstanding dues of micro enterprises and small enterprises and	13	473.34	—
Total outstanding dues of creditors other than micro enterprises and small enterprises.....	13	5,701.71	5,699.30
(iii) Other financial liabilities	14	35,342.56	43,510.28
(b) Other Current Liabilities	16	10,755.38	26,068.08
(c) Provisions.....	15	218.97	165.03
(d) Current Tax Liabilities (Net).....	17	41.71	41.71
Total Current Liabilities.....		57,261.79	80,642.55
TOTAL EQUITY & LIABILITIES (1+2+3)		102,927.94	148,244.95

Summary of Significant Accounting Policies

The accompanying notes 1 to 33 are an integral part of these financial statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration Number:- 117366W/W-100018

Ketan Vora

Partner

For and on behalf of the board of directors of

Mahindra Homes Private Limited

Sangeeta Prasad

DIN 02791944

Rahul Gupta

DIN 08295798

Place: Mumbai

Date: May 8, 2020

Place: Mumbai

Date: May 8, 2020

Place: Mumbai

Date: May 8, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	For the year ended March 31, 2020	(Rs. in Lakh) For the year ended March 31, 2019
I Income			
(a) Revenue from operations	18	42,155.70	39,058.73
(b) Other income.....	19	411.25	304.90
Total income (a+b).....		42,566.95	39,363.63
II Expenses			
(a) Construction Expenses incurred.....	20A	28,910.63	66,732.99
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade.....	20B	24,596.65	(36,163.41)
(c) Finance Cost.....	22	1,883.08	2,235.89
(d) Depreciation Expense.....	3	104.35	166.03
(e) Other expenses.....	21	3,767.48	2,502.97
Total Expenses (a+b+c+d+e).....		59,262.19	35,474.47
III (Loss)/ Profit Before Tax (I-II).....		(16,695.24)	3,889.16
IV Tax expenses			
(a) Current tax.....	4a	—	—
(b) Deferred tax	4a	2,241.01	1,169.87
Total tax expense (a+b)		2,241.01	1,169.87
(Loss)/Profit After Tax (III-IV)		(18,936.25)	2,719.29
V Other Comprehensive Income (B)		—	—
Total Comprehensive (Loss)/Income for the year (V+VI).....		(18,936.25)	2,719.29
VI Earnings per equity share (Face value: Rs 10/share)			
Basic			
(a) Class B Equity Shares (In Rs.).....	23	(19,381)	4,196
(b) Class C Equity Shares (In Rs.).....	23	(56,898)	349,523
Diluted			
(a) Class B Equity Shares (In Rs.).....	23	(19,381)	4,196
(b) Class C Equity Shares (In Rs.).....	23	(56,898)	7,310
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 33 are an integral part of these financial statements.

As per our Report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018
Ketan Vora
Partner

For and on behalf of the board of directors of
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Sangeeta Prasad
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Rahul Gupta
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Place: Mumbai
Date: May 8, 2020

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Date: May 8, 2020

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Date: May 8, 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

		(Rs. in Lakh)
	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
(Loss)/ Profit Before Tax.....	(16,695.24)	3,889.16
Adjustments for:		
Provision for Defect Liabilities.....	53.95	40.53
Depreciation	104.35	166.03
Finance Costs.....	1,883.08	2,235.89
Interest Income from Fixed Deposits	(204.45)	(72.46)
Adjustment of Inventories on account of Net realisable value	19,640.90	-
Gain on sale of current investments	-	(41.15)
Operating (Loss)/ Profit before working capital changes.....	4,782.59	6,217.99
Changes in working capital:		
Decrease in trade and other payables.....	(14,836.96)	(35,152.49)
Decrease in trade and other receivables.....	22,581.32	23,736.95
Decrease in inventories.....	6,904.32	18,827.02
Cash generated from operations.....	19,431.27	13,629.48
Income taxes paid.....	(349.07)	(683.71)
Net cash generated by operating activities (A)	19,082.20	12,945.77
B Cash flows from Investing activities		
Payment to acquire property, plant and equipment.....	(3.28)	(12.81)
Purchase of current investments.....	-	(3,863.10)
Proceeds from Sale of current investments.....	-	3,904.25
Interest received.....	222.28	46.21
Changes in earmarked balances with banks	(340.05)	(584.69)
Bank deposits (net).....	(2,054.66)	(1,254.39)
Net cash used in Investing activities (B)	(2,175.71)	(1,764.53)
C Cash flows from Financing activities		
Repayment of Borrowings	(8,175.02)	(7,867.39)
Interest Paid.....	(7,254.37)	(2,345.31)
Net cash flow used in Financing activities (C)	(15,429.39)	(10,212.70)
Net increase in cash and cash equivalents (A + B + C)	1,477.10	968.54
Cash and cash equivalents at the beginning of the year	1,722.69	754.15
Cash and cash equivalents at the end of the year	3,199.79	1,722.69

Summary of Significant Accounting Policies (Refer note 2)

The accompanying notes 1 to 33 are an integral part of these financial statements.

Changes in Liability arising from Financing activities

Particulars	As at April 1, 2019	Cash Flow	As at March 31, 2020
Non Current Borrowings (Refer Note 12)	6,000.00	(3,000.00)	3,000.00
Current Borrowings (Refer Note 12)	5,158.15	(430.03)	4,728.12
Current maturities of Long term debt (Refer note 14)	7,744.99	(4,744.99)	3,000.00
Total	18,903.14	(8,175.02)	10,728.12

Notes

- The above cash flow statement has been prepared under the 'Indirect method' as set out in "Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows".
- Also refer Note no. 8 - Cash and Bank Balances

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration Number:- 117366W/W-100018

Ketan Vora

Partner

For and on behalf of the board of directors of

Mahindra Homes Private Limited

Sangeeta Prasad

DIN 02791944

Rahul Gupta

DIN 08295798

Place: Mumbai

Date: May 8, 2020

Place: Mumbai

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Place: Mumbai

Date: May 8, 2020

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2020

A. Equity Share Capital

Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Balance at the Beginning of the year	82.33	82.33
Add: Issued during the year (refer note 10)	12.81	—
Balance at the end of the year	95.14	82.33

B. Other Equity

Particulars	(Rs. in Lakh)				
	Equity component of compound financial instruments *	Securities Premium	Retained earnings	Debenture Redemption Reserve#	Total
As at March 31 2018	0.00	194.96	1,597.57	812.50	2,605.03
Profit for the year	—	—	2,719.29	—	2,719.29
Transfer to Debenture Redemption Reserve	—	—	(812.50)	812.50	—
Adjustment relating to cumulative effect of applying IND AS 115 - Revenue from Contracts with Customers	—	—	(7,838.25)	—	(7,838.25)
As at March 31 2019	0.00	194.96	(4,333.89)	1,625.00	(2,513.93)
(Loss) for the year	—	—	(18,936.25)	—	(18,936.25)
Transfer from Debenture Redemption Reserve#	—	—	1,025.00	(1,025.00)	—
Securities Premium received on conversion of Optionally Convertible Debentures (OCD) and Compulsory Convertible Debentures (CCD)	—	64,021.19	—	—	64,021.19
As at March 31 2020	0.00	64,216.15	(22,245.14)	600.00	42,571.01

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 33 are an integral part of the financial statements.

* **Equity component of compound financial instruments:** This amount relates to equity component of convertible preference shares as per the requirements of Ind AS 32. The liability component of preference shares is NIL (Refer Note no. 11). The equity component is Rs 20/- (Previous year Rs 20/-)

Debenture redemption reserve (DRR): Pursuant to Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 (amended vide notification dated August, 16, 2019) an amount of Rs 1,025 lakhs has been transferred from Debenture Redemption Reserve to Retained earnings.

As per our Report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018
Ketan Vora
Partner

For and on behalf of the board of directors of
Mahindra Homes Private Limited

Sangeeta Prasad
DIN 02791944

Rahul Gupta
DIN 08295798

Place: Mumbai
Date: May 8, 2020

Place: Mumbai
Date: May 8, 2020

Place: Mumbai
Date: May 8, 2020

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General Information

Mahindra Homes Private Limited is a private company domiciled in India and was incorporated on June 2, 2010 under the provisions of the Companies Act, 1956 applicable in India. The registered office of the company is located at 5th Floor, Mahindra Tower, Worli, Mumbai – 400018. The company is engaged in the business of development of residential complexes. The Company is currently engaged in the development of residential projects in Gurgaon & Bangalore.

2. Significant accounting policies

2.1 Statement of compliance and basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the act.

These aforesaid financial statements were approved by Company's Board of Directors and authorised for issue in the meeting held on May 8, 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Measurement of Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.3 Current versus non-current classification

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

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

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

The Company classifies all other liabilities as non-current.

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

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.4 Revenue from Contracts with Customers

2.4.1 Revenue from Projects

- The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed i.e. Completed contract method of accounting as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.
- The Company invoices the customers for construction contracts based on achieving performance-related milestones.
- For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.
- Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.
- Contract assets is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.4.2 Dividend and Interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Foreign exchange transactions and translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred

2.7 Leases

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in Note 24.

Till March 31, 2019

Company as a Lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue

With effect from April 1, 2019:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. Identification of a lease requires significant judgment.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date i.e. the date at which

the leased asset is available for use by the Company. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.8 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1 Current tax

Current tax payable is determined as the amount of tax payable in respect of taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9 Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture and Fixtures and Office equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets is provided on pro-rata basis on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below -

	Useful lives estimated by the management (years)
Computers	3 to 6
Furniture	5
Building - Office/Commercial constructed at site	5

2.10 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.13 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'.

Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.14 Provisions and Contingent Liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.14.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.14.2 Contingent liabilities

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

2.14.3 Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.15.1 Classification and subsequent movement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as – measured at:

- Amortised cost; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All Financial assets are not classified as measured at amortised cost or FVTOCI or measured at FVTPL.

Financial Assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment loss. Interest income and impairment loss are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

2.15.2 Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets.

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the party does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.15.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised

2.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of directly attributable transaction costs.

2.16.2 Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.16.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment

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of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has legally enforceable rights to set off the amount and it intended either to settle them on a net basis or to realise the assets and settle liability simultaneously.

3. Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

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

A. Estimation of net realisable value for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories under construction is assessed with reference to the market prices at the reporting date less estimated costs to complete the construction and less an estimate of the time value of money to the date of completion if material. The market prices bear reference to the recent selling prices. The costs to complete the construction are estimated by management.

B. Useful lives of Depreciable/amortisable assets

The Company reviews the useful life of depreciable/amortisable assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

C. Taxes

Deferred tax assets are recognised for unused tax losses and other temporary differences leading to deferred tax assets to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

D. Determining the timing of revenue recognition on the sale of completed and under development property

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

E. Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

3. Property, Plant and Equipment

(Rs. in Lakh)

Description of Assets	Building	Office Equipments	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at April 1, 2019	452.19	114.99	238.35	53.25	858.77
Additions during the year	–	–	–	3.28	3.28
Deductions during the year	–	–	–	–	–
Balance as at March 31, 2020	452.19	114.99	238.35	56.52	862.05
II. Accumulated depreciation and impairment					
Balance as at April 1, 2019	402.63	87.93	204.89	43.00	738.46
Depreciation expense for the year	49.55	16.67	31.61	6.52	104.35
Deductions/adjustments during the year	–	–	–	–	–
Balance as at March 31, 2020	452.18	104.59	236.50	49.53	842.81
III. Net carrying amount (I-II)					
Balance as at March 31, 2020	0.01	10.39	1.85	7.00	19.24
At March 31, 2019	49.55	27.06	33.46	10.25	120.31

(Rs. in Lakh)

Description of Assets	Building	Office equipments	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at April 1, 2018	452.19	112.12	238.35	44.20	846.86
Additions during the year	–	2.86	–	9.05	11.91

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Description of Assets	(Rs. in Lakh)				
	Building	Office equipments	Furniture and Fixtures	Computers	Total
Deductions during the year	–	–	–	–	–
Balance as at March 31, 2019	452.19	114.99	238.35	53.25	858.77
II. Accumulated depreciation and impairment					
Balance as at April 1, 2018	311.62	66.65	157.15	37.01	572.44
Depreciation expense for the year	91.01	21.28	47.74	5.99	166.03
Deductions/adjustments during the year	–	–	–	–	–
Balance as at March 31, 2019	402.63	87.93	204.89	43.00	738.46
III. Net carrying amount (I-II)					
At March 31, 2019	49.55	27.06	33.46	10.25	120.31

4. Tax Expense

(a) Tax Expense recognised in profit & loss

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax:		
In respect of current year origination and reversal of temporary differences	–	–
Deferred Tax:		
Provision for Defect Liabilities	48.03	(14.24)
Adjustment relating to cumulative effect of applying IND AS 115 - Revenue from Contracts with Customers	1,994.39	1,225.84
Other temporary differences	48.21	(16.01)
Impact of difference in carrying amount of Property, Plant & Equipment	150.38	(25.72)
Total income tax expense	2,241.01	1,169.87

(b) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(Loss)/ Profit before tax	(16,695.24)	3,889.16
Income tax expense calculated at the statutory rate of 29.12% (29.12% for the previous year)	(4,861.65)	1,132.52
Changes in recognised deductible temporary differences	–	31.87
Effect of expenses that are not deductible in determining taxable profits	17.96	10.84
Deductions under Chapter VI A	–	(5.36)
Carried Forward business loss	–	–
Non recognition on deferred tax asset on current year loss	4,843.70	–
Derecognition of carried forward Deferred Tax Asset	2,241.01	–
	2,241.01	1,169.87
Income tax expense recognised in profit or loss	2,241.01	1,169.87

4c Deferred Tax Assets (Net)

(i) Movement in deferred tax balances

Particulars	(Rs. in Lakh)			
	Opening Balance as at April 1, 2019	Recognised in profit and Loss	Adjusted in Opening Retained Earnings	Closing Balance as at March 31, 2020
<u>Tax effect of items constituting deferred tax assets</u>				
Fiscal allowance on Property, Plant and Equipment	150.38	(150.38)	–	–
Provision for Defect Liabilities	48.03	(48.03)	–	–
Adjustment relating to cumulative effect of applying IND AS 115 - Revenue from Contracts with Customers	1,994.39	(1,994.39)	–	–
Other Temporary Differences	48.21	(48.21)	–	–
	2,241.01	(2,241.01)	–	–
Total	2,241.01	(2,241.01)	–	–

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Particulars	For the year ended 31 March 2019			(Rs. in Lakh)
	Opening Balance as at April 1, 2018	Recognised in profit and Loss	Adjusted in Opening Retained Earnings	Closing Balance as at March 31, 2019
<u>Tax effect of items constituting deferred tax assets</u>				
Fiscal allowance on Property, Plant and Equipment	124.66	25.72	–	150.38
Provision for Defect Liabilities	33.79	14.24	–	48.03
Adjustment relating to cumulative effect of applying IND AS 115 - Revenue from Contracts with Customers	–	(1,225.84)	3220.23	1,994.39
Other Temporary Differences	32.20	16.01	–	48.21
	<u>190.66</u>	<u>(1,169.87)</u>	<u>3,220.23</u>	<u>2,241.01</u>
Total	<u>190.66</u>	<u>(1,169.87)</u>	<u>3,220.23</u>	<u>2,241.01</u>

5. Other assets

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Non-current	Current	Non-current	Current
Advances other than capital advances				
Balances with government authorities (other than income taxes)	–	1,036.57	–	2,043.75
Prepaid Expenses	–	620.26	–	1,847.68
Income Tax Assets (Net)	734.91	–	385.84	–
Collaboration Advance	–	26,778.10	–	47,861.09
Other Advances #	–	1,627.04	–	1,789.39
Total	<u>734.91</u>	<u>30,061.97</u>	<u>385.84</u>	<u>53,541.91</u>

Other Advances comprises of Project Advances given to vendors.

6. Inventories (at lower of cost and net realisable value)

Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Raw Materials	1,250.06	1,117.41
Construction work-in-progress*	42,711.11	61,693.30
Stock in Trade	18,202.94	23,950.06
Total	<u>62,164.11</u>	<u>86,760.77</u>

* Construction Work-in-Progress represents materials at site and construction cost incurred for the projects.

The Company is executing residential projects at NCR and Bengaluru. The residential project in NCR is a Joint Development with the land owner. The project saw a successful launch in 2015 in a buoyant market. The market has thereafter seen muted demand and declining prices. During the year the company also saw significant cancellations of earlier bookings. Consequently, while valuing its balance inventory as per its accounting policies, the Company has taken an impact of Rs 19,641 lakh. This has been done considering uncertain market conditions.

The Company has availed cash credit facilities, short term loans and borrowed through Non-Convertible Debentures, which are secured by hypothecation of inventories.

7. Trade Receivables

Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Considered good- unsecured	2,398.50	1,529.58
Total	<u>2,398.50</u>	<u>1,529.58</u>

Trade Receivables includes an amount due from a director of Rs Nil (Previous Year- Rs 28.04 Lakhs)

8. Cash and bank balances

Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Cash on hand	–	0.06
Cheques on hand	37.61	605.44
Balances with banks:		
– On current accounts	708.26	937.63

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Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
– Fixed deposits with original maturity of less than three months	2,453.92	179.56
Total Cash and cash equivalent (considered in Statement of Cash Flows)	3,199.79	1,722.69
Bank Balances other than Cash and cash equivalents		
Balances with Banks:		
– Earmarked Balances	924.74	584.69
– Fixed deposits with original maturity greater than 3 months	3,331.88	1,277.21
Total Other Bank balances	4,256.62	1,861.90

10. Equity Share capital

Particulars	(Rs. in Lakh)			
	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Ordinary Equity Shares of Rs.10 each	100,000	10.00	100,000	10.00
Class A Equity Shares of Rs.10 each	1,550,000	155.00	1,550,000	155.00
Class B Equity Shares of Rs.10 each	116,500	11.65	116,500	11.65
Class C Equity Shares of Rs.10 each	116,500	11.65	116,500	11.65
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each	250	0.03	250	0.03
0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each	250	0.02	250	0.02
Series B 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each	116,500	11.65	116,500	11.65
	2,000,000	200.00	2,000,000	200.00
Issued, subscribed and fully paid-up shares				
Class A Equity Shares of Rs 10 each	822,507	82.25	822,507	82.25
Class B Equity Shares of Rs 10 each	64,423	6.44	389	0.04
Class C Equity Shares of Rs 10 each	64,423	6.44	389	0.04
Total	951,353	95.14	823,285	82.33

(i) Reconciliation of the number of shares and outstanding amount

Particulars	(Rs. in Lakh)		
	Opening Balance	Issued during the year	Closing Balance
(a) Equity Shares without Voting rights			
Class B equity shares			
Year Ended 31 March 2020			
No. of Shares	389	64,034	64,423
Amount	0.04	6.40	6.44
Year Ended 31 March 2019			
No. of Shares	389	–	389
Amount	0.04	–	0.04
Class C equity shares			
Year Ended 31 March 2020			
No. of Shares	389	64,034	64,423
Amount	0.04	6.40	6.44

9. Other Financial assets

Particulars	(Rs. in Lakh)			
	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
Other Financial assets at amortised cost				
Unsecured, considered good unless stated otherwise				
Interest accrued	–	8.42	–	26.26
Security Deposit with Government Authorities	84.38	–	54.68	–
Total	84.38	8.42	54.68	26.26

Particulars	(Rs. in Lakh)			
	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Class A equity shares				
Year Ended 31 March 2020				
No. of Shares	822,507	–	822,507	–
Amount	82.25	–	82.25	–
Year Ended 31 March 2019				
No. of Shares	822,507	–	822,507	–
Amount	82.25	–	82.25	–
(c) Preference Shares				
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)				
Year Ended 31 March 2020				

Particulars	(Rs. in Lakh)		
	Opening Balance	Issued during the year	Closing Balance
Year Ended 31 March 2019			
No. of Shares	389	–	389
Amount	0.04	–	0.04
(b) Equity Shares with Voting rights			
Class A equity shares			
Year Ended 31 March 2020			
No. of Shares	822,507	–	822,507
Amount	82.25	–	82.25
Year Ended 31 March 2019			
No. of Shares	822,507	–	822,507
Amount	82.25	–	82.25

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(Rs. in Lakh)

Particulars	Opening Balance	Issued during the year	Closing Balance
No. of Shares	1	–	1
Amount*	0.00	–	0.00
Year Ended 31 March 2019			
No. of Shares	1	–	1
Amount*	0.00	–	0.00
0.01% Compulsorily Convertible Preference Shares (CCPS)			
Year Ended 31 March 2020			
No. of Shares	1	–	1
Amount*	0.00	–	0.00
Year Ended 31 March 2019			
No. of Shares	1	–	1
Amount*	0.00	–	0.00

This Note covers the equity component of the issued convertible preference shares

* Represents Rs 20/- (As at March 31, 2019 Rs 20/-)

(a) Terms/ rights attached to equity shares

The Company has three classes of equity shares. The details are as follows :-

Each holder of Class A Equity Share is entitled to one vote per share, shall not carry any dividend and shall not carry any economic rights. The Series A Equity Shares shall rank subordinate to the Compulsorily Convertible Preference Shares, the Series A OCRPS, the Series B OCRPS, the Series A Debentures, the Series B Debentures, the Series B Equity Shares and the Series C Equity Shares with respect to distribution rights and rights on liquidation, dissolution and winding up of the affairs of the Company.

Each holder of Class B Equity Share shall be non voting and entitled to dividend. The economic rights on Series B Equity Shares shall be for the entire Series B as a whole, with economic rights equal to 50% of the total economic rights of the Shareholders of the Company, until the Series B shareholder has achieved a 17% Internal Rate of Return (IRR) on the Investment Subscription Amount. On achieving 17% IRR by the Series B shareholder, the Series B Equity Shares to carry 35% share of the total economic rights of the Shareholders of the Company.

Each holder of Class C Equity Share shall be non voting and entitled to dividend. The economic rights on Series C Equity Shares shall be for the entire Series C as a whole, with economic rights equal to 50% of the total economic rights of the Shareholders of the Company, until the Series C shareholder has achieved a 17% IRR on the Investment Subscription Amount. On achieving 17% IRR by Series C shareholder, the Series C Equity Shares to carry 65% share of the total economic rights of the Shareholders of the Company.

(b) Terms of conversion/ redemption of Optionally Convertible Redeemable Preference Shares (OCRPS)

The Series A OCRPS shall carry a dividend, as and when declared, at the rate of 0.01% per annum ("Fixed Dividends"). The Series A OCRPS shall be non-cumulative and not carry any voting rights. One Series A OCRPS shall convert to one Series A Equity Share at the conversion Ratio at the option of the holder of the Series A OCRPS. The Series A OCRPS shall be optionally redeemable at par. In the event of liquidation of the Company, Series A OCRPS shall be deemed to have been converted into Series A Equity Shares.

(c) Terms of conversion/ redemption of Compulsorily Convertible Preference Shares (CCPS)

CCPS shall carry a dividend, as and when declared, at the rate of 0.01% per annum (Fixed Dividend). The CCPS shall be non-cumulative and shall not carry any voting rights. One CCPS Share shall convert to one Series B Equity Share. The CCPS shall be deemed to have automatically and mandatorily converted to Series B Equity Shares at the Conversion Ratio at the expiry of 12 years from the date of allotment. CCPS can be voluntarily converted to Series B Equity Shares at the option of the holder. In the event of liquidation of the Company, the CCPS shall be deemed to have been converted into Series B Equity Shares.

Note on Issue of Class B and Class C Equity Shares on conversion of Compulsory Convertible Debentures (CCD) and Optionally Convertible Debentures (OCD) during the year

During the year ended March 31, 2020, the company has converted 3,20,17,000 Series A Compulsory Convertible Debentures and 3,20,17,000 Series B Optionally Convertible Debentures and allotted to Actis Mahi Holdings (Singapore) Private Limited fully paid-up 64,034 Series B Equity Shares (non-voting rights) of the face value of Rs 10 each and to Mahindra Lifespace Developers Limited fully paid-up 64,034 Series C Equity Shares (non-voting rights) of the face value of Rs 10 each respectively.

Particulars	Aggregate Number of Shares	
	As at March 31, 2020	As at March 31, 2019

Series B and Series C Equity Shares

Fully paid up pursuant to contract(s) without payment being received in cash

Fully Paid Series C Equity Shares by way of conversion of Optionally Convertible Debentures (OCD) during the year	64,034	–
Fully Paid Series B Equity Shares by way of conversion of Compulsory Convertible Debentures (CCD)	64,034	–

(ii) Details of shares held by the holding company, the ultimate holding company and its subsidiaries

Particulars	Class A Equity shares with voting rights	Class C Equity shares without voting rights	Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)
As at 31st March 2020			
Mahindra Lifespace Developers Ltd - the holding company			
No. of Shares	616,879	64,423	1
As at 31st March 2019			
Mahindra Lifespace Developers Ltd - the holding company			
No. of Shares	616,879	389	1

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(iii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No.	% holding in the class	No.	% holding in the class
Equity shares without voting rights:-				
Class C equity Shares	64,423	100%	389	100%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
Class B equity Share	64,423	100%	389	100%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				
Equity shares with voting rights				
Class A equity Share	616,879	75%	616,879	75.00%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
Class A equity Shares	205,628	25%	205,628	25.00%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				
Preference Shares				
Optionally Convertible Redeemable Preference Shares (OCRPS)- Series A	1	100%	1	100%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
Compulsorily Convertible Preference Shares (CCPS)- Series B	1	100%	1	100%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				

(iv) Shares reserved for issue under options

For details of shares reserved for issue on conversion of OCRPS and CCPS, please refer note 10 (b) and 10 (c) respectively regarding terms of conversion/redemption of preference shares.

11. Other Equity

Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Securities premium	64,216.15	194.96
Retained earnings	(22,245.14)	(4,333.89)
Debenture redemption reserve#	600.00	1,625.00
Equity component of compound financial instruments*	0.00	0.00
Other Equity Total	42,571.01	(2,513.93)

* **Equity component of compound financial instruments:** This amount relates to equity component of convertible preference shares as per the requirements of Ind AS 32. The liability component of preference shares is NIL. The equity component is Rs 20/- (March 31, 2019 - Rs 20/-)

Debenture redemption reserve (DRR): Pursuant to Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 (amended vide notification dated August, 16, 2019) an amount of Rs 1,025 lakhs has been transferred from Debenture Redemption Reserve to Retained earnings.

Description of the nature and purpose of Other Equity:

Securities Premium: The Securities Premium Reserve is created on issue of shares at a premium

Debenture Redemption Reserve: Debenture Redemption Reserve is a Statutory Reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company. On completion of redemption, the reserve is transferred to retained earnings.

Retained earnings: This reserve represents cumulative profits/losses of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

12. Borrowings

Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
A. Secured Borrowings (Carried at Amortised cost)		
a) Term Loans		
(i) From banks	-	4,744.99
Instalments due in less than 1 year - classified as current maturities of long term debt	-	(4,744.99)
Total Secured Borrowings	-	-
b) Non-Convertible Debentures (Carried at Amortised cost)		
300 8.5% Series I Debentures of Rs 10,00,000/- each	-	3,000.00
300 8.5% Series II Debentures of Rs 10,00,000/- each	3,000.00	3,000.00
300 8.5% Series III Debentures of Rs 10,00,000/- each	3,000.00	3,000.00
Instalments due in less than 1 year - classified as current maturities of long term debt	(3,000.00)	(3,000.00)
	3,000.00	6,000.00

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Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
B. Un-Secured Borrowings (Carried at Amortised cost)		
a) Debentures		
3,20,17,000 14.00% Series A Debentures of Rs. 100/- each (Refer Note 25 - Related Party Transactions)	-	32,017.00
3,20,17,000 14.00% Series B Debentures of Rs. 100/- each (Refer Note 25 - Related Party Transactions)	-	32,017.00
Total Un-Secured Borrowings	-	64,034.00
Total non current borrowings	3,000.00	70,034.00
C. Loans repayable on demand (Secured) (Carried at Amortised Cost)		
(i) From banks	4,728.12	5,158.15
	4,728.12	5,158.15
Total current borrowings	4,728.12	5,158.15
Total borrowings	7,728.12	75,192.15

A. a) Term Loan from Bank (HDFC Bank Ltd)

Secured Term loan carries interest rate in the range of 9.10% to 9.50% per annum (Previous Year- 8.90%-9.50% per annum). The Loan is repayable in 8 equal quarterly instalments commencing from 24 months from the first drawdown date viz. March 31, 2016. The first repayment shall be date falling 27 months from the first drawdown date. The loan is secured against

- a first ranking mortgage on the Land, building and Development Rights of the Luminare project under the collaboration agreement
- a first ranking charge by way of hypothecation over the (a) all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the permits, approvals and clearances of the Borrower relating to the Gurgaon Project; (b) all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, corporate guarantee and bank guarantee provided by any Person under the Gurgaon Project Documents; and (c) all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in any Insurance Policies in relation to the Gurgaon Project (including any proceeds from such Insurance Policies).
- a first ranking pari passu charge by way of hypothecation (pari passu only with the Security Interest created/to be created to secure the working capital facility), over the Receivables of Bengaluru and Gurgaon Project including security deposit to land owners.

Non-Convertible Debentures (NCD)

A. b) Series I, II and III Secured, Unlisted, Rated, Redeemable Non-Convertible Debentures ('NCD')

The Series I, II and III Secured, Unlisted, Rated, Redeemable Non-Convertible Debentures ('NCD') shall bear a coupon rate of 8.50% payable annually. The tenor for the Series I NCDs is 2 years from the deemed date of allotment, i.e. date of redemption is December 15, 2019; for Series II, it is 3 years from the deemed date of allotment, i.e. date of redemption is December 15, 2020 and for Series III debentures, it is 4 years from the deemed date of allotment, i.e. date of redemption is December 15, 2021. All 3 series of NCDs shall be redeemed at par, with the scheduled redemption being on 'Bullet at Maturity' terms.

The NCDs are secured by first pari-passu charge over identified movable/immovable properties providing a minimum security cover of 1.25x at all times during the currency of the debentures; security cover to be calculated on annual basis based on ratio of Market Value of the Security created on first pari-passu charge along with the existing holders on security/outstanding amount.

Terms and conditions of OCDs & CCDs

B. a) Series A Debentures - Compulsory Convertible Debenture (CCD)

The Series A Debentures shall earn simple interest of 14% per annum payable quarterly. Interest shall become due and payable only on availability of distributable cash. Interest on the Series A Debentures shall be cumulative and payable until the Series A Debentures are converted into Series B Equity Shares. One Series A Debenture shall convert to one Series B Equity Share. The conversion of the Series A Debentures shall at all times be made at the conversion price of Rs 50,000. Series A Debentures can be converted to Series B Equity Shares at the Conversion Ratio with the consent of all Shareholders. All Series A Debentures, to the extent outstanding, shall automatically and mandatorily convert to Series B Equity Shares at the Conversion Price upon the expiry of 12 years from the date of allotment. In the event of liquidation of the Company, the Series A debentures shall be deemed to have been converted into Series B equity shares. The Series B Equity Shares issued on conversion of the Series A Debentures shall rank pari passu in all respects with the Series C Equity Shares, respectively, in issue on the relevant date of conversion, with reference to all rights and benefits, including but not limited to voting rights, dividends, stock splits, bonus and/or rights issuance.

Series B Debentures - Optionally Convertible Debenture (OCD)

The Series B Debentures shall earn simple interest at a rate of 14% per annum payable quarterly. Interest shall become due and payable only on availability of distributable cash. Interest on the Series A Debentures shall be cumulative and payable until the Series B Debentures are converted into Series B OCRPS. One Series B Debenture shall convert to one Series B OCRPS. The conversion of the Series B Debentures shall at all times be made at the conversion price of Rs 50,000. Series B Debentures can be converted to Series B OCRPS at the Conversion Ratio with the consent of all Shareholders. In the event of liquidation of the Company, the Series B debentures shall be deemed to have been converted into Series C equity shares. The Series C Equity Shares issued on conversion of the Series B Debentures shall rank pari passu in all respects with the Series B Equity Shares, respectively, in issue on the relevant date of conversion, with reference to all rights and benefits, including but not limited to voting rights, dividends, stock splits, bonus and/or rights issuance. Series B Debentures shall be redeemable at issue price or at a premium with the consent of all Shareholders and in accordance with the terms of the shareholders agreement.

Note on Conversion of OCD & CCD

During the year ended March 31, 2020, the company has converted 3,20,17,000 Series A Compulsory Convertible Debentures and 3,20,17,000 Series B Optionally Convertible Debentures and allotted to Actis Mahi Holdings (Singapore) Private Limited fully paid-up 64,034 Series B Equity Shares (non-voting rights) of the face value of Rs 10 each and to Mahindra Lifespace Developers Limited fully paid-up 64,034 Series C Equity Shares (non-voting rights) of the face value of Rs 10 each respectively.

C. Loans repayable on demand from banks (Secured)

Axis Bank Ltd (sanctioned limit of Rs 90 crores)

Overdraft facility from Axis Bank Ltd carries interest rate in the range of 8.45% to 9.10% p.a. The facility is secured by first ranking pari passu charge by way of hypothecation (pari passu only with the security interest created/to be created to secure the working capital facilities availed by the Company) over the receivables, including security deposit to land owners, second charge over the land, building and development rights of Luminare project.

HDFC Bank Ltd (sanctioned limit of Rs 30 crores)

Overdraft facility from HDFC Bank carries interest rate of 9.15% p.a. The facility is secured by first pari passu charge (pari passu along with other

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lenders for current facility) on receivables to the extent of Borrower's share (75% of receivables) pertaining to Gurgaon project and receivable of Bengaluru project, present and future to be shared pari-passu with Rupee Term Loan facility.

13. Trade Payables

	(Rs. in Lakh)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Trade payable - micro and small enterprises*	473.34	-
Trade payable - Other than micro and small enterprises	5,701.71	5,699.30
Total	6,175.04	5,699.30

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

* This information has been determined to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Additional Disclosure in relation to Micro, Small and Medium enterprises

	As at	As at
Particulars	March 31, 2020	March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	473.34	-
b) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	473.34	-

14. Other Financial liabilities

	(Rs. in Lakh)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Carried at Amortised Cost		
Interest accrued	32,342.56	35,765.29
Current maturities of long term debt	3,000.00	7,744.99
Total	35,342.56	43,510.28

15. Provisions

	(Rs. in Lakh)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Other Current Provisions		
Provision for Defect Liabilities	218.97	165.03
Total	218.97	165.03

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a the defect liability period limited to 5 year from the date when control over the property has been transferred to the customer.

The movement in provision for defect liabilities is as follows:

	(Rs. in Lakh)
Provision for Defect Liability	
Balance at March 31, 2018	124.49
Additional provisions recognised	40.53
Amounts utilised during the year	-
Balance at March 31, 2019	165.02
Additional provisions recognised	53.95
Amounts utilised during the year	-
Balance at March 31, 2020	218.97

16. Other Current liabilities

	(Rs. in Lakh)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Advances received from customers	9,754.00	23,968.32
Statutory dues payable*	76.64	1,515.09
Advance towards Society Maintenance	924.74	584.68
Total	10,755.38	26,068.08

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

17. Current tax liability (net)

	(Rs. in Lakh)	
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Current tax liability (net of Advance tax paid)	41.71	41.71

18. Revenue from Operations

	(Rs. in Lakh)	
	For the	For the
Particulars	year ended	year ended
	March 31, 2020	March 31, 2019
Revenue from Contracts with Customers		
Revenue from Projects	42,155.70	39,058.73
Total	42,155.70	39,058.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Revenue from operations for the year ended March 31, 2020 is net of Rs 46.72 Lakhs (March 31, 2019 -Rs 253.48 Lakhs) towards input tax credit benefits passed on to the customers as per the provisions of section 171 on Anti-Profiteering of CGST Act, 2017. The treatment is as per the prevailing Indian Accounting Standards.

Notes

a) Contract Balances

- Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers" in note 16- Other Current Liabilities. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables in note 7- Trade Receivables
- During the year, the Company recognised Revenue of Rs. 5,086.01 lakhs from opening contract liability (after Ind AS 115 adoption) of Rs 36,841.70 lakhs (recognised in previous year- Rs 21,080.85 Lakhs). Contract Liability of Rs 4,812.34 Lakhs cancelled during the year.
- There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing, sales cancellations and revenue recognition.
- Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.
- Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.
- There are no contract assets outstanding at the end of the year.
- The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as at March 31, 2020, is Rs. 24,614.30 lakhs. Out of this, the Company expects, based on current projections, to recognize revenue of around 100% within the next one year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

b) Reconciliation of revenue recognised with the contracted price is as follows:

	(Rs. in Lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contracted price	42,401.80	39,556.60
Adjustments on account of cash discounts or early payment rebates, deferred payment schemes etc.	(246.10)	(497.87)
Revenue recognised as per Statement of Profit & Loss	<u>42,155.70</u>	<u>39,058.73</u>

c) Contract Costs

	(Rs. in Lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract costs included in Prepaid expenses in Note 5- Other Assets	512.11	1,423.68

The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Previously, all such costs were expensed immediately when incurred. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under note no. 5 - Other Assets and amortises it upon completion of the related property sale contract.

For the year ended March 31, 2020, amortisation amounting to Rs. 1394.70 lakhs was recognised as brokerage cost in note 21- Other expenses. There was no impairment loss in relation to the costs capitalised.

19. Other Income

	(Rs. in Lakh)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Bank Deposits	204.45	72.46
Interest income on account of financing component involved in contracts with customers	199.38	188.03
Gain on sale of current investments	-	41.15
Miscellaneous Income	7.42	3.26
Total Other Income	<u>411.25</u>	<u>304.90</u>

20A. Construction Expenses incurred

	(Rs. in Lakh)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Adjustment relating to cumulative effect of applying IND AS 115 - Revenue from Contracts with Customers (a)	-	47,740.95
Add: Expenses incurred during the year		
Civil, Electricals, Contracting, etc.	26,309.96	10,609.47
Rates and taxes	261.07	200.91
Legal & Professional Fees	250.80	734.92
Interest costs allocated	1,948.57	7,249.48
Power and fuel cost	39.59	39.21
Other Project Administration Cost	46.69	117.52
Construction Expenses incurred during the year (b)	<u>28,856.68</u>	<u>18,951.50</u>
Provision for Defect Liability (c)	53.95	40.53
Total Construction Expenses incurred (a+b+c)	<u>28,910.63</u>	<u>66,732.99</u>

20B. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	(Rs. in Lakh)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock		
Work-in-progress	61,693.30	49,575.50
Raw Material	1,117.41	1,021.86
Stock in Trade	23,950.06	-
Total Opening Stock	<u>86,760.77</u>	<u>50,597.36</u>
Closing Stock		
Work-in-progress	42,711.11	61,693.30
Raw Material	1,250.06	1,117.41
Stock in Trade	18,202.94	23,950.06
Total Closing Stock	<u>62,164.11</u>	<u>86,760.77</u>
Changes in inventories of finished goods, work-in-progress and stock-in-trade	<u>24,596.65</u>	<u>(36,163.41)</u>

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21. Other expenses

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement, Marketing & Business Development	889.26	750.57
Commission & Brokerage	1,394.70	403.95
Legal and other professional costs	203.44	729.08
Payment to auditors #	23.07	21.29
Repairs & Maintenance	241.83	157.68
Rent	3.14	7.52
Rates & Taxes	166.84	327.99
Travelling & Conveyance	4.80	7.71
Printing & Stationery	0.90	7.52
Miscellaneous Expenses	726.94	30.86
Expenditure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act 2013 (Refer details below)	61.68	36.79
Power & Fuel	50.87	22.01
Total	3,767.48	2,502.97
#Payment to auditors	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) To Statutory Auditors		
For Audit	12.32	10.00
For Taxation Matters	5.60	5.00
For Other Services	1.70	3.40
For Reimbursement of expenses	2.35	1.79
(b) To Cost Auditors for cost audit	1.10	1.10
	23.07	21.29

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Expenditure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act 2013		
(a) Gross amount required to be spent by the Company	61.68	36.85
(b) Amount spent during the year:	61.68	36.79
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	61.68	36.79
	61.68	36.79

22. Finance Costs

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Interest Costs		
Interest expense for financial liabilities at amortised cost	3,700.27	9,452.83
Less: Allocated to Projects	(1,948.57)	(7,249.48)
b) Interest cost due to discounting to customers	131.38	32.54
Total	1,883.08	2,235.89

23. Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company (after adjusting for interest on the convertible Debentures and dividend on preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(Loss)/Profit after tax for the year	(18,936.25)	2,719.29
Weighted average number of Class A equity shares in calculating EPS*	822,507	822,507
Weighted average number of Class B equity shares in calculating EPS	64,423	389
Weighted average number of Class C equity shares in calculating EPS	33,281	389
Conversion of Compulsory Convertible Debentures	-	64,034
Face Value of Class B Equity Shares	10	10
Face Value of Class C Equity Shares	10	10
Earnings per Class B Equity share - Basic	(19,381)	4,196
Earnings per Class C Equity share - Basic	(56,898)	349,523
Earnings per Class B Equity share - Diluted (refer note I & II))	(19,381)	4,196
Earnings per Class C Equity share - Diluted (refer note I & II))	(56,898)	7,310

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit/(loss) for the year, used in the calculation of basic earning per share (in Rs Lakh)	(18,936.25)	2,719.29
Add: Interest on convertible debentures (net) - adjusted for attributable taxes (in Rs Lakh)	-	6,699.11
Profit for the year used in the calculation of diluted earnings per share	(18,936.25)	9,418.40
Weighted average number of equity shares used in calculating basic EPS	97,704	778
Effect of dilution:		
Convertible Preference Share	1	1
Compulsory Convertible debentures and Optionally Convertible debentures	-	128,068
Weighted average number of equity shares in the calculation of diluted EPS	97,705	128,847

* As Class A Equity Shares does not carry any dividend and economic rights, therefore the same has not been considered in calculation of Basic & Diluted EPS.

Note I- In calculating the Earnings per share the effect of dilution on account of outstanding Convertible Preference Share is ignored since the results are anti-dilutive

Note II- In previous year while calculating the earning per share the effect of dilution for Class B equity shares on account of outstanding 14% OCD and 14% CCD is ignored since the results are anti-dilutive

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24. Changes in accounting policies

A. Transition to Ind AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the 'retrospective approach with the cumulative effect at the date of initial application'. However, there is no impact on transition to Ind AS 116. Also, the application of Ind AS 116 did not have impact on the financials results for the year ended March 31, 2020 of the Company.

B. As lessee

The company has entered into operating lease arrangements for land for construction of project and marketing office. The lease was non-cancellable for a period of 8 months.

Expense of Rs 3.14 lakhs relating to short term lease for the year ended March 31, 2020 is included in "Rent" of Note 21 "Other Expenses"

(Rs. in Lakh)

	For the year ended 31 st March, 2019
Future minimum lease commitments of non cancellable lease	
not later than one year	4.63
later than one year and not later than five years	–
later than five years	–
More than five years	–
Total future minimum lease commitments of non cancellable lease	4.63
Expenses recognised in the Statement of Profit and Loss	
Minimum Lease Payments	7.52

25. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Enterprises having joint control over the Company

Mahindra Lifespace Developers Limited

Actis Mahi Holdings (Singapore) Private Limited (Formerly known as SCM Real Estate (Singapore) Pvt. Limited)

Other Related parties with whom transactions have taken place

Subsidiary of a company having joint control over the Company

Anthurium Developers Limited

Holding company of enterprise having joint control over the Company

Mahindra & Mahindra Limited

Subsidiary of Holding company of enterprise having joint control over the Company

Mahindra Defence Systems Limited

Mahindra Intertrade Limited

Mahindra Integrated Business Solutions Private Limited

Key managerial personnel

Director

Mr. Ashish Balram Singh

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. in Lakh)

Nature of transactions with Related Parties	For the year ended	Mahindra Lifespace Developers Limited	Actis Mahi Holdings (Singapore) Private Limited	Mahindra & Mahindra Limited	Mahindra Defence Systems Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Intertrade Limited	Ashish Balram Singh (Director)	Ramesh Ranganathan (Director)	Anthurium Developers Limited
Interest Expense	31-Mar-20	1,220.35	1,222.17	–	–	–	–	–	–	–
	31-Mar-19	3,584.23	3,584.23	–	–	–	–	–	–	–
Receiving of Services	31-Mar-20	190.65	–	11.73	–	3.64	–	–	–	4.63
	31-Mar-19	1,250.68	–	26.23	–	2.01	0.75	–	–	7.52
Conversion of Optionally Convertible Debentures/ Compulsorily Convertible Debentures (refer note 12)	31-Mar-20	(32,017.00)	(32,017.00)	–	–	–	–	–	–	–
	31-Mar-19	–	–	–	–	–	–	–	–	–
Sale of Goods	31-Mar-20	–	–	–	–	–	–	–	–	–
	31-Mar-19	–	–	–	–	–	–	403.76	135.66	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The following table provides the balances with related parties as on the relevant date:

(Rs. in Lakh)

Nature of Balances with Related Parties	Balance as on	Mahindra Lifespace Developers Limited	Actis Mahi Holdings (Singapore) Private Limited	Mahindra & Mahindra Limited	Mahindra Defence Systems Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Intertrade Limited	Ashish Balram Singh (Director)	Ramesh Ranganathan (Director)	Anthurium Developers Limited
Long Term Borrowings	31-Mar-20	–	–	–	–	–	–	–	–	–
	31-Mar-19	32,017.00	32,017.00	–	–	–	–	–	–	–
Payables	31-Mar-20	16,180.79	16,125.78	2.38	0.02	–	0.76	–	–	–
	31-Mar-19	17,989.15	17,749.39	12.47	0.02	–	0.75	0.10	–	–
Receivables	31-Mar-20	–	–	–	–	–	–	–	–	–
	31-Mar-19	–	–	–	–	0.06	–	28.04	–	204.63

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

26 - Financial Instruments

Capital management

The Company's capital management objectives are:

safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Debt	10,728.12	18,903.14
Cash and bank balances	(6,531.66)	(2,999.90)
Net Debt (A)*	4,196.46	15,903.24
Equity (B)	42,666.15	(2,431.60)
Debt Ratio (A/B)	0.10	(7)

* Since the Series A and Series B debentures are issued by the company are subscribed by the share-holders, the Debt-equity ratio of the company is reviewed by the management based on the external debt only.

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

	(Rs. in Lakh)			
	Amortised Costs		FVTPL	
Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
Non-Current Assets				
Other Financial Assets- Non Derivative Financial Assets	84.38	54.68	–	–
Current Assets				
Trade Receivables	2,398.50	1,529.58	–	–
Cash and Cash Equivalents	3,199.79	1,722.69	–	–

(Rs. in Lakh)

	Amortised Costs		FVTPL	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Particulars				
Other Bank Balances	4,256.62	1,861.90	–	–
Other Financial Assets- Non Derivative Financial Assets	8.42	26.26	–	–
Total financial assets	9,947.72	5,195.11	–	–
Financial liabilities				
Non-Current Liabilities				
Borrowings	3,000.00	70,034.00	–	–
Current liabilities				
Borrowings	4,728.12	5,158.15	–	–
Trade Payables	6,175.04	5,699.30	–	–
Other financial liabilities- Non Derivative Financial Liabilities	35,342.56	43,510.28	–	–
Total financial liabilities	49,245.72	124,401.73	–	–

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, mutual funds and other financial assets.

Trade Receivables

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

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For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	(Rs. in Lakh)	
	Less than 1 Year	1-3 Years
Non-derivative financial liabilities		
As at March 31, 2020		
Borrowings	7,728.12	3,000.00
Trade Payables	6,175.04	-
Other financial liabilities	32,342.56	-
Total	46,245.72	3,000.00
As at March 31, 2019		
Borrowings	12,903.14	70,034.00
Trade Payable	5,699.30	-
Other financial liabilities	35,765.29	-
Capital Creditors	-	-
Total	54,367.73	70,034.00

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 risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company undertakes transactions in foreign currencies only for purchase of components which are required to be imported to carry out construction activities or for travelling and sales promotion activities; consequently, exposing to exchange rate fluctuations, but the same is not material in nature as compared to the size of the operations of the Company.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other

variables held constant, the Company's financial statements are affected through the impact on floating rate borrowings, as follows:

	(Rs. in Lakh)	
	Increase/ decrease in basis points	Effect on financial statements*
As at March 31, 2020		
INR	+100	(47.28)
INR	-100	47.28
As at March 31, 2019		
INR	+100	(99.03)
INR	-100	99.03

* The effect as mentioned above will have impact on the carrying value of Inventories and Profit/(Loss) Before Tax.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Secured Bank Overdraft facility		
Expiring within one year	7,271.88	9,711.33
Total	7,271.88	9,711.33

27 - Impact of COVID 19 (Global Pandemic)

The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as inventories, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which COVID-19 impacts the operations will depend on future developments which remain uncertain.

28. Capital & other Commitments

At March 31, 2020, the company has commitments of Rs. 2,075 lakhs (Previous year Rs. 4,800 lakhs) relating to further security deposit payable towards Joint Development Agreement.

29. Segment information

The Company is engaged only in the business of development of property and related activities in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

No single customer contributed 10% or more to the company's revenue for year ended March 31, 2020 and year ended March 31, 2019.

30 - Contingent Liabilities

Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Claims against the companies not acknowledged against as debt-		
i) Claims received from vendors not acknowledged as debt	-	350.0
ii) Income Tax matters Under Appeal (net of amount paid as protest- Rs 7.51 Lakhs)	30.06	35.82

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Income tax claims in respect of certain expenses disallowed by the Income Tax Department. The company is pursuing the matter with the appropriate appellate authorities.		
iii) Indirect Tax matters under dispute	228.34	17.1
Input Service Tax claims disallowed by the Service Tax Department. Company is pursuing the matter with the appropriate appellate authorities.		

31 - Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

32. - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

33. - Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

For and on behalf of the board of directors of
Mahindra Homes Private Limited

Sangeeta Prasad
DIN No. 02791944

Rahul Gupta
DIN No. 08295798

Place: Mumbai
Date: May 8, 2020

Place: Mumbai
Date: May 8, 2020

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra Happinest Developers Limited
Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Happinest Developers Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of 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 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 34 of the financial statements, which describes that the potential impact of COVID-19 pandemic on the financial statements of the Company are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include financial statements and our auditor's report thereon.
- 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 and, in doing so, consider whether the other information is materially

inconsistent with the 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 on the other information that we obtained prior to the date of this auditor's report, 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 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 financial statement 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.

Those 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 financial control 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 the 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 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, the Statement

of Cash Flows 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 Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 Company has not paid any managerial remuneration during the year, hence section 197 of the Act related to the managerial remuneration is not applicable.
- 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, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - 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.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner

Place: Mumbai
Date: 6th May, 2020

(Membership No. 100459)
(UDIN: 20100459AAAAJK6635)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Mahindra Happinest Developers Limited (Formerly known as Mahindra Happinest Developers Private Limited) (‘the Company’) as of 31st March, 2020 in conjunction with our audit of the Ind AS 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, 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 31st March, 2020, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Ketan Vora
Partner

Place: Mumbai
Date: 6th May, 2020

(Membership No. 100459)
(UDIN: 20100459AAAAJK6635)

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Mahindra Happinest Developers Limited of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant and Equipment).
 - (b) The fixed assets (Property Plant and Equipment) were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets (Property Plant and Equipment) at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building other than sales and projects office and sales gallery, temporarily constructed at the project site and capitalized as Buildings, hence reporting under clause (i)(c) of the Order is not applicable
 - (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on 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.
 - (iv) The Company has not granted any loans or provided guarantees, under the provisions of Section 185 of the Act. Provisions of Section 186 are not applicable to the Company, it being a Company engaged in the business of providing infrastructure facilities.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable and hence reporting under clause 3 (v) of Order is also not applicable.
 - (vi) The Company is not required to maintain the cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
 - (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities. The provisions of Employees’ State Insurance, Excise Duty, Service Tax and Value added tax are not applicable to the operations of the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Service tax, cess and other material statutory dues in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Goods and Service tax and Customs Duty which have not been deposited as on 31 March, 2020 on account of disputes.
 - (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to a financial institute and dues to debenture holders. The Company has not taken any loans or borrowings from government.
 - (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.
 - (x) To the best of our knowledge 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) In our opinion and according to the information and explanations given to us, the Company has not paid or provided any managerial remuneration during the year, hence compliance with the provisions of Section 197, read with Schedule V of the Act are not applicable to the Company.
 - (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
 - (xiii) According to the information and explanations given to us, in terms of Rule 4 of the Companies (Appointment and qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provisions of Section 177 of the Act are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the Company has complied with other provisions of Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of Series 2 Optionally Convertible Redeemable Preference Shares and Series 2 Optionally Convertible Redeemable Debentures during the year.

In respect of the above issue, we further report that:

- a) The requirement of Section 42 of the Companies Act, 2013 , as applicable has been complied with, and
 - b) The amounts raised have been applied by the Company during the period for the purposes for which funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding Company or persons connected with them and hence provisions of section 192 of the Act are not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
(Membership No. 100459)
(UDIN: 20100459AAAAJK6635)

Place: Mumbai
Date: 6 May, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Lakh)

Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
I Non-Current Assets			
(a) Property, Plant and Equipment.....	3	527.05	52.39
(b) Right of use assets.....	4	155.53	—
(c) Other Intangible assets	5	6.91	—
(d) Intangible Assets under development.....		4.72	—
(e) Financial assets.....			
(i) Investments	6	—	198.17
(ii) Other Financial assets	7	200.92	—
(f) Deferred Tax Assets (Net)	8	1,160.80	—
Total Non-Current Assets.....		2,055.93	250.56
II Current Assets			
(a) Inventories	9	23,424.30	9,303.02
(b) Financial assets			
(i) Cash and Cash Equivalents	10	1,374.19	572.22
(ii) Bank Balances other than (i) above	10	2.30	—
(iii) Other Financial Assets.....	11	102.39	84.32
(c) Other current assets.....	12	2,033.72	3,937.04
Total Current Assets.....		26,936.90	13,896.60
Total Assets (I + II).....		28,992.83	14,147.16
EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share Capital	13	10.00	10.00
(b) Other Equity.....	14	(2,357.77)	(1,400.40)
Total Equity		(2,347.77)	(1,390.40)
Liabilities			
II Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	18,964.79	10,701.85
(b) Provisions	16	48.56	—
Total Non-Current Liabilities.....		19,013.35	10,701.85
III Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables:			
Total outstanding dues of micro enterprises and small enterprises and....	17	30.51	—
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,265.98	1,163.83
(ii) Lease Liabilities	18	159.54	—
(b) Other Current Liabilities	19	10,862.37	3,671.88
(c) Provisions	16	8.85	—
Total Current Liabilities.....		12,327.25	4,835.71
Total Equity and Liabilities (I+II+III).....		28,992.83	14,147.16
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 38 are an integral part of these financial statements.

As per our Report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Place: Mumbai
Date: 6th May, 2020

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Ltd.

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 22nd April, 2020

Sangeeta Prasad
Director
DIN - 02791944

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

		(₹ in Lakh)	
Particulars	Note No.	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Income			
I Revenue from Operations.....	20	70.75	–
II Other Income	21	69.52	13.45
III Total Income (I + II)		140.27	13.45
Expenses			
Construction Expenses Incurred	22A	14,121.28	2,850.84
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22B	(14,121.28)	(2,850.84)
Employee Benefits Expense	23	386.74	–
Finance Cost	24	21.45	5.10
Depreciation and Amortisation Expense	3, 4 & 5	246.49	17.56
Other Expenses	25	1,612.44	1,138.01
IV Total Expense		2,267.12	1,160.67
V (Loss) Before Tax (III- IV)		(2,126.85)	(1,147.22)
VI Tax Expense/(Credit)			
Current tax.....		–	–
Deferred tax.....	26 (a)	(1,160.80)	–
Total Tax Expense/(Credit)		(1,160.80)	–
VII (Loss) After Tax (V- VI)		(966.05)	(1,147.22)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans.....		12.25	–
Income tax relating to Items that will not be reclassified to profit or loss	26 (b)	(3.57)	–
VIII Total Other Comprehensive Income for the year		8.68	–
IX Total Comprehensive Income/(Loss) for the year		(957.37)	(1,147.22)
X Earnings per Equity Share [Face value of Rs 10 each]			
Basic (in Rs.)	24	(966.05)	(1,147.22)
Diluted (in Rs.)		(966.05)	(1,147.22)
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 38 are an integral part of these financial statements.

As per our Report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Place: Mumbai
Date: 6th May, 2020

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Ltd.

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 22nd April, 2020

Sangeeta Prasad
Director
DIN - 02791944

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH , 2020

Particulars	(₹ in Lakh)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Cash flows from operating activities		
Loss before Tax.....	(2,126.85)	(1,147.22)
Adjustments for:		
Depreciation on property plant & equipments and Amortisation of Other Intangible assets	246.49	17.56
Finance Costs recognised in profit and loss	21.45	5.10
Interest Income.....	(37.45)	(2.77)
Gain arising on financial assets designated at Fair Value Through Profit or Loss.....	–	(8.17)
Net loss arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL).....	493.41	258.50
Operating Loss before working capital changes	(1,402.95)	(877.00)
Changes in:		
Increase in trade and other payables	7,425.28	4,061.54
(Increase) in Inventories.....	(13,408.62)	(2,850.84)
Decrease/(Increase) in Other receivables	1,883.92	(3,789.69)
Net cash (used in) Operating activities (A)	(5,502.37)	(3,455.99)
Cash flows from Investing activities		
Payment to acquire property, plant and equipment, Other intangible assets and intangible assets under development.....	(556.92)	(16.69)
Payment to acquire non current investments	–	(190.00)
Payment to acquire financial assets.....	(190.00)	–
Proceeds on sale of non current investments	200.10	–
Changes in earmarked balances and margin accounts with banks	(2.30)	–
Interest received	18.18	2.75
Net cash (used in) Investing activities (B).....	(530.94)	(203.94)
Cash flows from Financing activities		
Proceeds from Issue of Securities.....	6,253.47	–
Proceeds from Borrowings	1,500.00	6,449.85
Repayment of Borrowings	–	(2,557.19)
Interest Paid.....	(734.10)	(93.18)
Payment of lease Liabilities	(184.09)	–
Net cash flow generated from Financing activities (C).....	6,835.28	3,799.48
Net increase in cash and cash equivalents (A + B + C).....	801.97	139.55
Cash and cash equivalents at the beginning of the year	572.22	432.67
Cash and cash equivalents at the end of the year	1,374.19	572.22

Summary of Significant Accounting Policies (Refer note 2)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH , 2020 (COUNT.)

Change in Liability arising from financing activities

(₹ in Lakh)			
Particulars	As at 31 March, 2019	Cashflow	As at 31 March, 2020
Non Current Borrowings (Refer Note 15).....	10,701.85	8,262.94	18,964.79
Less:-Net loss arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL) and EIR impact of non current borrowings	(258.50)	(509.47)	(767.97)
Total	10,443.35	7,753.47	18,196.82

Notes:

1. The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.
 2. Also refer note 10- Cash and cash equivalents
- The accompanying notes 1 to 38 are an integral part of these financial statements.

As per our Report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Place: Mumbai
Date: 6th May, 2020

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Ltd.

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 22nd April, 2020

Sangeeta Prasad
Director
DIN - 02791944

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. Equity Share Capital

(₹ in Lakh)			
Particulars	Note No	As at 31 st March, 2020	As at 31 st March, 2019
Balance at the beginning of the year.....	13	10.00	10.00
Add: Issue of equity shares	13	—	—
Balance at the end of the year		10.00	10.00

B. Other Equity

(₹ in Lakh)		
	Retained Earnings	Total
As at 31 st March, 2018.....	(253.18)	(253.18)
Loss for the year.....	(1,147.22)	(1,147.22)
Other Comprehensive Income.....	—	—
Total Comprehensive Income / (Loss) for the year.....	(1,147.22)	(1,147.22)
As at 31st March, 2019.....	(1,400.40)	(1,400.40)
Loss for the year	(966.05)	(966.05)
Other Comprehensive Income net of taxes*	8.68	8.68
Total Comprehensive Income / (Loss) for the year.....	(957.37)	(957.37)
As at 31st March, 2020.....	(2,357.77)	(2,357.77)

* Remeasurement gains/(losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings.

Summary of Significant Accounting Policies (Refer note 2)

The accompanying notes 1 to 38 are an integral part of these financial statements.

As per our Report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Place: Mumbai
Date: 6th May, 2020

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Ltd.

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 22nd April, 2020

Sangeeta Prasad
Director
DIN - 02791944

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

1. General Information

Mahindra Happinest Developers Limited ("The Company") (Formerly known as Mahindra Happinest Developers Pvt. Ltd.) was incorporated on 6th September, 2017 under the provisions of the Companies Act, 2013. It was converted to a public limited company on 26th September, 2017.

The registered office of the company is located at 5th Floor, Mahindra Tower, Worli, Mumbai – 400018. The company is engaged in the business of development of residential complexes. The company is currently engaged in development of residential projects in Palghar and Kalyan near Mumbai.

2. Significant Accounting Policies

2.1 Statement of compliance and basis of preparation and presentation

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 22nd April, 2020. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.4 Revenue from contracts with customers

2.4.1 Revenue from Projects

- i. The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when

control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed i.e. Completed contract method of accounting as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.

- ii. The Company invoices the customers for construction contracts based on achieving performance-related milestones.
- iii. For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.
- iv. Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.2 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Current versus non-current classification

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

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ noncurrent classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

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

The Company classifies all other liabilities as non-current.

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

Borrowings and investment are classified as current if they are due to be settled within 12 months after the reporting period.

2.6 Leasing

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.6.1 The Company as a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the

lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments. The company recognises the amount of the remeasurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to shortterm leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.7 Employee Benefits

2.7.1 Defined Contribution Plan

The Company's contribution paid/payable during the year to Provident Fund and Superannuation Fund is recognised in profit or loss.

2.7.2 Defined Benefit Plan

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

2.7.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

2.7.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

- (b) in case of non-accumulating compensated absences, when the absences occur. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.8 Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.9 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Income Taxes

Income Tax expense represents the sum of tax currently payable and deferred tax

2.11.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantially enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits

will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.12 Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Furniture & Fixtures and Office equipment's are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straightline method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Lease hold improvements are amortised over the period of lease/estimated period of lease.

Vehicles used by employees are depreciated over the period of 4 years considering this period as the useful life of the vehicle for the Company.

Sales office and the sample flat/ show unit cost at site is amortised over 5 years or the duration of the project (as estimated by management) whichever is lower.

Fixed Assets held for disposal are valued at estimated net realizable value.

2.13 Intangible Assets

2.13.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life

and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.13.2 Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

2.13.3 Useful lives of Intangible assets

Estimated useful lives of the intangible assets are as follows:

Software 3 years

2.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.16 Provisions and contingent liabilities

2.16.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.16.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.16.3 Contingent liabilities

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.17.1 Classification and subsequent measurement

2.17.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

- Amortised cost; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

2.17.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.17.1.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.17.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.17.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has legally enforceable rights to set off the amount and it intended either to settle them on a net basis or to realise the assets and settle liability simultaneously.

3. Use estimates and judgement

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

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

A. Useful lives of property, plant and equipment

The Company reviews the useful life of depreciable / amortisable assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

C. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

D. Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

E. Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms

of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the over time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time, when control transfers which coincides with receipt of Occupation Certificate.

F. Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

3. Property, Plant and Equipment

(₹ in Lakh)

Description of Assets	Leasehold Improvements	Office equipments	Furniture and fixtures	Computers	Building	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1 st April, 2019	20.12	24.75	16.77	11.67	–	–	73.31
Additions during the year	–	59.94	176.26	46.49	238.86	22.74	544.29
Deductions during the year	–	–	–	–	–	–	–
Balance as at 31st March, 2020	20.12	84.69	193.03	58.16	238.86	22.74	617.60
II. Accumulated depreciation							
Balance as at 1 st April, 2019	7.70	8.01	4.17	1.04	–	–	20.92
Depreciation expense for the year	4.02	9.55	19.93	12.58	20.80	2.75	69.63
Deductions/Adjustments during the year	–	–	–	–	–	–	–
Balance as at 31st March, 2020	11.72	17.56	24.10	13.62	20.80	2.75	90.55
III. Net carrying amount (I-II)	8.40	67.13	168.93	44.54	218.06	19.99	527.05

(₹ in Lakh)

Description of Assets	Leasehold Improvements	Office equipments	Furniture and fixtures	Computers	Building	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1 st April, 2018	20.12	19.64	16.72	0.14	–	–	56.62
Additions during the year	–	5.11	0.05	11.53	–	–	16.69
Deductions during the year	–	–	–	–	–	–	–
Balance as at 31st March, 2019	20.12	24.75	16.77	11.67	–	–	73.31
II. Accumulated depreciation							
Balance as at 1 st April, 2018	0.99	1.53	0.82	0.02	–	–	3.36
Depreciation expense for the year	6.71	6.48	3.35	1.02	–	–	17.56
Deductions/Adjustments during the year	–	–	–	–	–	–	–
Balance as at 31st March, 2019	7.70	8.01	4.17	1.04	–	–	20.92
III. Net carrying amount (I-II)	12.42	16.74	12.60	10.63	–	–	52.39

4. Right of use assets

Description of Assets	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Buildings		
I. Gross Carrying Amount		
Balance as at 1 st April, 2019	39.86	–
Additions during the year	291.52	–
Deductions during the year	–	–
Balance as at 31st March 2020	331.38	–
II. Accumulated depreciation		
Balance as at 1 st April, 2019	–	–
Amortisation expense for the year	175.85	–
Deductions during the year	–	–
Balance as at 31st March 2020	175.85	–
III. Net carrying amount (I-II)	155.53	–

5. Intangible Assets

Description of Assets	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Software		
I. Gross Carrying Amount		
Balance as at 1 st April, 2019	–	–
Additions during the year	7.92	–
Deductions during the year	–	–
Balance as at 31st March 2020	7.92	–
II. Accumulated depreciation		
Balance as at 1 st April, 2019	–	–
Amortisation expense for the year	1.01	–
Deductions during the year	–	–
Balance as at 31st March 2020	1.01	–
III. Net carrying amount (I-II)	6.91	–

6. Investments

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Measured at Fair Value through Profit and Loss (FVTPL)		
Unquoted Investments (all fully paid)		
Investment in Mutual Fund	–	198.17
Total Investments	–	198.17
Carrying amount of unquoted investment	–	190.00

7. Other Financial assets

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Financial Assets at amortised cost		
Bank deposit under lien	190.00	–
Accrued interest	10.92	–
Total Other Financial assets	200.92	–

8. Deferred Tax Assets (Net)

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Deferred Tax Liabilities	–	–
Deferred Tax Assets	1,160.80	–
Total Non Current Investments	1,160.80	–

Deferred Tax assets/(liabilities) in relation to:

Particulars	(₹ in Lakh)			
	Opening Balance as at 1 st April, 2019	Recognised in P&L	Recognised in Other Comprehensive Income	Closing Balance as at 31 st March, 2020
Fiscal allowance on Property, Plant and Equipment and Other Intangible Assets	–	6.26	–	6.26
Provision for Employee Benefits	–	5.42	(3.57)	1.84
Disallowance u/s 43(B) of the Income tax Act, 1961	–	21.92	–	21.92
Carried forward of Business Loss	–	777.04	–	777.04
Other Temporary differences	–	353.74	–	353.74
Total	–	1,164.37	(3.57)	1,160.80

9. Inventories (at lower of cost and net realisable value)

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Raw Materials	722.41	251.10
Construction work-in-progress	22,701.89	9,051.92
Total	23,424.30	9,303.02

- a) Construction Work in Progress represents materials at site and cost of actual work incurred on the projects.
- b) Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.
- c) The company has availed term loan, which is secured by hypothecation of inventories of Palghar Project.

10. Cash and bank balances

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents		
Cheques on hand	33.19	116.13
Balances with banks:		
– On current accounts	317.35	456.09
– Fixed Deposits with Original maturity of less than 3 months	1,023.65	–
Total Cash and cash equivalent (considered in Statement of Cash Flows)	1,374.19	572.22
Bank Balances other than Cash and cash equivalents		
(a) Balances with Banks:		
(i) Earmarked balances	2.30	–
Total Other Bank Balances	2.30	–

11. Other Financial assets

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Financial assets at amortised cost		
Interest accrued	8.37	0.02
Security Deposits- unsecured, considered good	94.02	84.30
Total	102.39	84.32

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Balance at the beginning of the year	1,00,000	10.00	1,00,000	10.00
Add: Issue during the year	–	–	–	–
Balance at the end of the year	1,00,000	10.00	1,00,000	10.00

Terms/ rights attached to equity shares with voting rights

The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(ii) Details of shares held by the holding company and its subsidiaries (as per Companies Act 2013)

Particulars	Equity Shares with Voting rights
As at 31st March, 2020	
Mahindra Lifespace Developers Limited	51,000
As at 31st March, 2019	
Mahindra Lifespace Developers Limited	51,000

Other than above shares, no shares are held by any subsidiaries or associates of the Holding Company.

(iii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	No.	% holding	No.	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited:	51,000	51%	51,000	51%
HDFC Capital Affordable Real Estate Fund I:	49,000	49%	49,000	49%

14. Other Equity

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Retained earnings	(2,357.77)	(1,400.40)
Total	(2,357.77)	(1,400.40)

Description of the nature and purpose of other equity

Retained Earnings: This reserve represents cumulative losses of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

15. Borrowings

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
A. Non Current Secured Borrowings- at amortised cost		
a) Term Loan		
Loan from other party	7,965.91	6,449.85
Total Secured Borrowings	7,965.91	6,449.85
B. Non Current Unsecured Borrowings- at Fair value:		
a) Debentures		
2,76,00,000 Series 1 (Previous year 2,76,00,000) and 3,68,84,230 Series 2 (Previous year Nil), 15% Optionally Convertible Redeemable Debentures ("OCRD") of Rs. 10/- each (Refer note 33 & 35)	7,663.18	3,148.00
b) Preference Shares		
12,33,500 Series 1 (Previous year 12,33,500) and 25,65,044 Series 2 (Previous year Nil) Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value of Rs. 10/- each (Refer note 33 & 35)	3,335.70	1,104.00
Total Unsecured Borrowings	10,998.88	4,252.00
Total Non Current Borrowings	18,964.79	10,701.85

A. Non Current Secured Borrowings- at amortised cost:

- a) Term Loan from other party is repayable in 8 equal instalment starting from year 4 from the date of drawdown viz July 2018. The facility is fully secured against first charge over land, movable & immovable property, current assets and cash flow of Palghar Project. Term loan carries floating interest rate which is linked to 1 year MCLR of ICICI Bank Ltd and interest rate is in the range of 9.95% p.a. to 9.70% p.a. (previous year rate range 9.45% p.a. to 9.70% p.a.)

B. Terms and conditions of Series 1 and Series 2 Optionally Convertible Debenture (OCDs)

- a) Series 1 and Series 2 Debentures are unsecured, unlisted, redeemable and optionally convertible debentures. The issue

price of each Series 1 & Series 2 Debenture is Rs.10 (face value Rs.10). The Series 1 and Series 2 Debentures shall earn, interest of 15% per annum compounded annually. Interest on each Series 1 and Series 2 Debentures shall be accrued, due and payable to the holders of Series 1 & Series 2 Debentures subject to availability of Distributable Cash and on obtaining an approval from the Distributions Committee and the board of directors of the Company. Each Series 1 and Series 2 debentures constitutes a direct obligation of the Company and shall at all times rank pari passu inter se (without any preference or priority of one over the other or others of them).

At the time of redemption of Series 1 and Series 2 Debentures on a Redemption Date (not later than 9 years from the date of allotment), the Company shall pay the holders of Series 1 and Series 2 Debentures an Interest determined by the Distributions Committee and such Interest shall become due and payable on the date of which it is determined by the Distributions Committee without the need for an approval from the Board.

At the option of the holder of the Series 1 and Series 2 Debentures, if the then outstanding Series 1 and Series 2 Debentures cannot be redeemed in full then, with the prior written unanimous approval of all the holders of the Series 1 and Series 2 Debentures, the Series 1 and Series 2 Debentures shall be converted into equity shares of the Company, in accordance with such formula as may be determined between the Company and the holder of the Series 1 and Series 2 Debentures, but at a price which is not less than fair market value of the equity shares at the time of such conversion.

Terms and conditions of Series 1 and Series 2 Optionally Convertible redeemable Preference Shares (OCRPS)

- b) Series 1 and Series 2 Preference Shares are unsecured, unlisted, redeemable, optionally convertible preference shares. The issue price of each Series 1 & Series 2 Preference Shares is Rs.100 (face value Rs.10). The Series 1 and Series 2 Preference Shares shall not be entitled to any voting rights, other than as prescribed under Applicable Law and the articles of association of the Company. Each Series 1 and Series 2 Preference Share constitutes a direct obligation of the Company and shall at all times rank pari passu inter se (without any preference or priority of one over the other or others of them).

Series 1 and Series 2 Preference Shares shall be eligible to receive Redemption Premium which shall be paid along with Redemption of Series 1 and Series 2 Preference Shares ((not later than 9 years from the date of allotment). Redemption Premium shall mean a premium not exceeding 15% per annum compounded annually from the date of subscription of the Series 1 and Series 2 Preference Shares that is being redeemed. The payment of Redemption Premium shall be subject to the Distributable Cash as determined by the Distribution Committee. The Redemption Premium shall be accrued, due and payable only on Redemption Date and proportionate to the Series 1 and Series 2 Preference Shares so being redeemed.

At the option of holder of the Series 1 and Series 2 Preference Shares, if the then outstanding Series 1 and Series 2 Preference Shares cannot be redeemed in full then, with the prior written unanimous approval of all the holders of the Series 1 and Series 2 Preference Shares, the Series 1 and Series 2 Preference Shares shall be converted into equity shares of the Company, in accordance with such formula as may be determined by the Company and the holder of the Series 1 and Series 2 Preference Shares, but at a price which is not less than fair market value of the equity shares at the time of such conversion.

At the time of conversion, the holder of Preference Shares will be entitled to equity shares of the Company up to the principal amount (i.e. issue price) of the outstanding OCRPS

16. Provisions

Particulars	As at 31 st March, 2020		(₹ in Lakh)	
	Current	Non Current	As at 31 st March, 2019	
			Current	Non Current
Provision for employee benefits (Refer Note- 32)				
- Gratuity	4.71	28.56	-	-
- Leave Encashment	4.14	20.00	-	-
Total Provisions	8.85	48.56	-	-

17. Trade Payables

Particulars	As at 31 st March, 2020		(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019		
Total outstanding dues of micro enterprises and small enterprises*		30.51	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,265.98	1,163.83	
Total	1,296.49	1,163.83		

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	As at 31 st March, 2020	As at 31 st March, 2019		
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	30.51	-		
b) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-		
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-		
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-		
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-		

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

* This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable.

18. Lease Liabilities

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Current		
Financial Liabilities carried at Amortised Cost		
Lease Liabilities	159.54	-
Total	159.54	-

19. Other Current liabilities

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Advances received from customers	10,789.52	3,640.64
Statutory dues payable*	72.85	31.24
Total	10,862.37	3,671.88

* There are no amounts due and outstanding to be credited to the Investor Education and Protection fund.

20. Revenue from Operations

Particulars	(₹ in Lakh)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Revenue from Contract with Customers		
Revenue from Projects	70.75	-
Total Revenue from operations	70.75	-

Refer Note 29 for IND AS 115 disclosures

21. Other Income

Particulars	(₹ in Lakh)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Interest Income on Bank Deposits	37.45	2.77
Interest Income on unwinding on lease security deposits	6.30	-
Gain arising on financial assets measured at Fair Value through Profit or Loss	-	8.17
Miscellaneous Income	25.77	2.51
Total Other Income	69.52	13.45

22A. Construction Expenses incurred

Particulars	(₹ in Lakh)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Expenses incurred during the year:		
Cost of land and related cost	8,696.50	-
Civil, Electricals, Contracting, etc.	3,763.16	1,708.75
Rates and taxes	-	2.60
Legal, Consultant & Professional Fees	594.36	609.17
Employee Benefits Expense Allocated	210.36	-
Interest Costs Allocated	728.11	493.02
Power and fuel cost	38.67	5.15
Other Project Administration Cost	90.12	32.15
Total	14,121.28	2,850.84

22B. Changes in inventories of finished goods, stock -in- trade and work-in-progress

	(₹ in Lakh)	
Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Opening Stock		
Raw Material	251.10	–
Work-in-progress	9,051.92	6,452.18
Total Opening Stock	9,303.02	6,452.18
Closing Stock		
Raw Material	722.41	251.10
Work-in-progress	22,701.89	9,051.92
Total Closing Stock	23,424.30	9,303.02
Total	(14,121.28)	(2,850.84)

23. Employee Benefits Expense

	(₹ in Lakh)	
Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Salaries and wages including bonus	559.96	–
Contribution to provident and other funds	21.53	–
Staff welfare expenses	15.61	–
Less: Allocated to projects	(210.36)	–
Total	386.74	–

24. Finance Costs

	(₹ in Lakh)	
Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Interest on Loan from related party	–	93.97
Interest on Term Loan	712.63	399.05
Interest on Bank Overdraft	2.72	3.82
Interest on lease liabilities	18.73	1.28
Less: Allocated to projects	(712.63)	(493.02)
Total	21.45	5.10

Analysis of Interest Expenses by Category

	(₹ in Lakh)	
Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Interest Expenses		
On Financial Liability at Amortised Cost	715.35	496.84
On Financial Liabilities at FVTPL	–	–

25. Other expenses

	(₹ in Lakh)	
Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Advertising Marketing & Business Development	719.50	242.51
Legal and Other Professional costs	57.52	46.18
Power & Fuel	4.30	15.05
Repairs and Maintenance	28.12	16.64
Rent, Rates & Taxes	12.40	87.79
Development Management Fees	162.07	386.84
Subscription & Membership Fees	13.84	6.44
Security Charges	6.15	12.14
Travelling and Conveyance Expenses	65.44	20.50
Printing & Stationery	15.19	6.62
Net Loss arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL)\$	493.41	258.50
Payment to Auditors #	16.39	21.05
Miscellaneous Expenses	18.11	17.75
Total	1,612.44	1,138.01

	(₹ in Lakh)	
# Payment to Auditors (excluding taxes)	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
For Audit	9.00	9.00
For Taxation matters	3.00	5.00
For Other Services	4.25	6.96
For Reimbursement of expenses	0.14	0.09
Total	16.39	21.05

\$ Net Loss arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL) includes a gain of Rs.333.34 lakh (31st March, 2019 Rs. 129.50 lakhs) resulting from decrease in fair value of Series 1 & Series 2 Optionally Convertible Redeemable Preference Shares (OCRPS).

26. Income Taxes

(a) Income Tax recognised in profit or loss

	(₹ in Lakh)	
Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Current Tax		
In respect of current year	–	–
Deferred Tax		
In respect of current year origination and reversal of temporary differences	(1,160.80)	–
Total	(1,160.80)	–

(b) Income tax recognised in Other Comprehensive income

Particulars	₹ in Lakh	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit plans	3.57	—
Total	3.57	—

(c) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit or Loss is as follows:

Particulars	₹ in Lakh	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Loss before tax	(2,126.85)	—
Income tax expense calculated at 29.12% (Previous year Nil)	(619.33)	—
Effect of income that is non allowable in determining taxable profit	619.32	—
Business Loss	(777.04)	—
Changes in recognised deductible temporary differences	(383.75)	—
Total	(1,160.80)	—

27. Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the (loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

The following reflects the loss and share data used in the basic and diluted EPS computations:

Particulars	₹ in Lakh	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Loss after tax (Rs. in Lakh)	(966.05)	(1,147.22)
Weighted average number of equity shares	1,00,000	1,00,000
Face Value of Equity Shares (in Rs.)	10	10
Earnings per Equity share - Basic (in Rs.)	(966.05)	(1,147.22)
Earnings per Equity share - Diluted (in Rs.)	(966.05)	(1,147.22)

28. Leases

A Transition to Ind AS 116

Ministry of corporate Affairs has notified Ind AS 116 "Leases" which is effective from 01st April, 2019. Pursuant to this, the company has applied this standard to all lease contracts existing on 01st April, 2019 using the retrospective approach with the cumulative effect at the date of initial application. On that date, the Company recognised a lease liability measured at the present value of the remaining lease payments using the lessee's incremental borrowing rate as at 01st April, 2019 and corresponding Right of Use (ROU) asset measured at an amount equivalent to lease liability. Therefore, there is no effect of adopting Ind

AS 116 on retained earnings as at 01st April, 2019, with no restatement of comparative information. Comparatives for the quarter, year ended 31st March, 2020 and year ended 31st March, 2019 will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31st March, 2019. Thus, on transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 39.86 lakhs, and a lease liability of Rs. 38.13 lakhs.

In view of this, the operating lease rent which was hitherto accounted under 'Other expenses' in previous periods has now been accounted as depreciation and finance costs. Accordingly the loss for the year ended 31st March, 2020 is higher by Rs. 9.48 lakhs (net). To this extent, the performance of the current year is not comparable with previous year's results. The financial results for year ended 31st March, 2020 results in an increase of Rs. 175.85 lakhs in depreciation for the right of use assets and increase of Rs. 12.26 lakhs respectively in finance costs on lease liability and decrease in operating lease rent cost of Rs. 174.85 lakhs and decrease of Rs. 3.78 lakhs in brokerage cost.

The Statement of Assets and Liabilities for year ended 31st March, 2020 results in an increase of Rs. 155.53 Lakhs, and Rs.159.54 Lakhs in Right of use assets and Current Lease Liabilities respectively.

B Transition date reconciliation required by para C12(b) of Ind AS 116

Particulars	₹ in Lakh	
	For the year ended 31 st March, 2020	
A. Operating lease commitments disclosure as per Ind AS 17 as of March 31, 2019	40.09	
Weighted average incremental borrowing rate	8.32%	
B. Present value using incremental borrowing rate as on April 1, 2019	38.13	
Total lease liabilities on transition date	38.13	

C As lessee

The company has entered into operating leases arrangement for its regional office and sales & marketing office. The regional office lease have a non-cancellable life of two years with renewal option included in the contracts.

Maturity Analysis - Contractual Undiscounted Cash Flow	₹ in Lakh	
	For the year ended 31 st March, 2020	
Less than one year	165.19	
One to Three years	—	
Three to five years	—	
More than five years	—	
Total discounted lease liabilities at Balance sheet date	159.54	

During the year the company has incurred Rs. 184.09 lacs against lease rental payments of two premises which is classified as Lease Liability payment as per Ind AS 116.

Expense of Rs 6.92 lakh relating to leases of low-value assets for the year ended March 31, 2020 is included in Note 25 "Other Expenses"

29. Disclosures as per IND AS 115

(1) Contract Balances

- Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers/Income received in Advance" in note no. 19- Other Current Liabilities.
- During the year, the Company recognised Revenue of Rs. Nil (previous year Nil) from opening contract liability (after Ind AS 115 adoption) of Rs 3640.64 lakhs (previous year Rs 496.17 lakhs).

- (c) There were no significant changes in the composition of the contract liabilities during the reporting period other than on account of periodic invoicing and one new project opened for sale.
- (d) Amounts previously recorded as contract liabilities increased due to further milestone based invoices raised during the year and one new project opened for sale.
- (e) There are no contract assets outstanding at the end of the year.
- (f) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as at March 31, 2019, is Rs. 41,276.54 lakhs (previous year Rs. 11,425.68 lakhs). Out of this, the Company expects, based on current projections, to recognize revenue of around 26% (previous year Nil) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is not expected to be material.

(2) Contract costs

Particulars	₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Contract costs included in Prepaid expenses in Note no. 12- Other Current Assets	494.49	213.44

- (a) The Company incurs commissions & incentives that are incremental costs of obtaining a contract with a customer. Previously, all such costs were expensed immediately when incurred. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under Note no. 12 - Other Current Assets and amortises it upon completion of the related property sale contract.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period:

		₹ in Lakh)							
Nature of transactions with Related Parties		Year Ended	Mahindra Lifespace Developers Ltd	HDFC Capital Affordable Real Estate Fund I	Mahindra & Mahindra Ltd.	Mahindra Integrated Business Solutions Pvt. Ltd.	Mahindra Intertrade Ltd	Key Managerial Personnel	Tech Mahindra Ltd.
Issue of 15% Optionally Convertible Redeemable Series 2 Debentures ("OCD")	31-Mar-20	922.11	2,766.32	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-	-	-
Issue of 15% Optionally Convertible Redeemable Series 2 Preference Shares (OCRPs)	31-Mar-20	641.26	1,923.78	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-	-	-
Inter corporate deposit repaid	31-Mar-20	-	-	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-	-	2,500.00
Purchase of Goods	31-Mar-20	-	-	-	-	-	-	-	1.88
	31-Mar-19	-	-	-	-	-	-	-	-
Receiving of services	31-Mar-20	334.54	-	-	72.05	-	-	-	-
	31-Mar-19	813.70	-	-	18.22	0.61	-	-	-
Interest on Inter corporate deposit	31-Mar-20	-	-	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-	-	93.97
Reimbursement made to parties	31-Mar-20	115.51	-	20.39	-	-	4.43	-	-
	31-Mar-19	103.97	-	11.87	-	-	-	-	-
Reimbursement received from parties	31-Mar-20	82.13	-	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-	-	-

30. Capital Commitments

Particulars	₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Capital Commitment : Estimated value of contracts remaining to be executed on capital account and not provided for	27.14	-
Total	27.14	-

31. Related parties disclosures

**Names of related parties and related party relationship
Related parties where control exists**

Enterprises having joint control over the Company	Mahindra Lifespace Developers Ltd. HDFC Capital Affordable Real Estate Fund I
---	--

Other Related parties with whom transactions have taken place during the year

Holding Company of Enterprise exercising joint control over the Company	Mahindra & Mahindra Ltd.
Associate of Holding Company of Enterprise exercising joint control over the Company	Tech Mahindra Ltd.
Subsidiary of Holding Company of Enterprise exercising joint control over the Company	a) Mahindra Integrated Business Solutions Pvt. Ltd b) Mahindra Intertrade Ltd c) Mahindra Retail Ltd.
Key Managerial Personnel	Mr. Arvind Subramanian

The following table provides the balances with related parties as on balance sheet date:

(₹ in Lakh)

Nature of Balances with Related Parties	Balance as at	Mahindra Lifespace Developers Ltd	HDFC Capital Affordable Real Estate Fund I	Mahindra & Mahindra Ltd.	Mahindra Integrated Business Solutions Pvt. Ltd.	Mahindra Intertrade Ltd	Mahindra Retail Ltd.
Long Term Borrowings - Series 1 & Series 2 debentures (OCDs)	31-Mar-20	1,612.11	4,836.32	-	-	-	-
	31-Mar-19	690.00	2,070.00	-	-	-	-
Long Term Borrowings - Series 1 & Series 2 preference Shares (OCRP)	31-Mar-20	949.66	2,848.88	-	-	-	-
	31-Mar-19	308.40	925.10	-	-	-	-
Payables	31-Mar-20	20.14	-	4.18	4.89	-	1.98
	31-Mar-19	656.74	-	1.56	9.16	0.69	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

32. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 21.53 lakhs (31st March, 2019 : Nil) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The scheme is unfunded as on March 31, 2020. The Company intends to start contributing to a plan fund from financial year 2020-21.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of 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 benefit 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.

	As at 31 st March, 2020	31 st March, 2019
Discount rate(s)	5.68%	NA
Expected rate(s) of salary increase	5.00%	NA
Attrition Rate	0 to 42: 16%	NA
Mortality	IALM (2012-14) ULT.	NA
Retirement age of the employees is assumed to be 60 years.		

Defined benefit plans – as per actuarial valuation on 31st March, 2020

(₹ in Lakh)

Particulars	Un-funded Gratuity Plan	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	8.27	-
Past service cost and (gains)/losses on transfer of employees from holding company as at 1 st August, 2019	35.78	-
Net interest expense	1.46	-
Components of defined benefit costs recognised in profit or loss	45.51	-
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial (gains)/loss arising from demographic assumptions	(4.11)	-
Actuarial (gains)/loss arising from changes in financial assumptions	(7.42)	-
Actuarial (gains)/loss arising from experience adjustments	(0.72)	-
Components of defined benefit costs recognised in other comprehensive income	(12.25)	-
Total	33.26	-

Particulars	(₹ in Lakh)	
	Un-funded	Gratuity Plan
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2020		
1. Present value of defined benefit obligation as at 31 st March, 2020	33.27	–
2. Fair value of plan assets as at 31 st March, 2020	–	–
3. Surplus/(Deficit)	(33.27)	–
4. Current portion of the above	(4.71)	–
5. Non current portion of the above	(28.56)	–
II. Movements in the present value of the defined benefit obligation are as follows.		
1. Present value of defined benefit obligation on transfer of employees from holding company as at 1 st August, 2019	35.78	–
2. Add/(Less) on account of Scheme of Arrangement/Business	–	–
Transfer	–	–
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	8.27	–
- Past Service Cost	–	–
- Interest Cost	1.46	–
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(4.11)	–
ii. Financial Assumptions	(7.42)	–
iii. Experience Adjustments	(0.72)	–
5. Benefit payments	–	–
6. Present value of defined benefit obligation at the end of the year	33.26	–

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal Assumptions	(₹ in Lakh)			
	Changes in assumption (%)	Increase in assumption	Decrease in assumption	
Discount rate	2020 1.00%	31.66	35.05	
	2019 1.00%	–	–	
Salary growth rate	2020 1.00%	34.33	32.30	
	2019 1.00%	–	–	

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

Maturity profile of defined benefit obligation:

	31 st March, 2020	31 st March, 2019
Within 1 year	4.71	–
1 - 2 year	4.66	–
2 - 3 year	4.12	–
3 - 4 year	4.21	–
4 - 5 year	3.95	–
5 - 10 years	12.98	–
The weighted average age considered for defined benefit obligation as at 31 st March 2020 is 34.72 years (31 st March, 2019: NA)		

33. Financial Instruments

Capital management

The Company's capital management objectives are-

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

Particulars	(₹ in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Debt	7,965.91	6,449.85
Cash and Bank Balances	(1,577.41)	(572.22)
Net Debt (A)	6,388.50	5,877.63
Total Equity (B)	(2,347.77)	(1,390.40)
Debt Ratio (A/B)	(2.72)	(4.23)

* Since Optionally Convertible Debentures and Optionally Convertible Redeemable Preference shares issued by the company are subscribed by the share-holders, the Debt-equity ratio of the company is reviewed by the management based on the external debt only.

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

As at 31st March, 2020

Particulars	(₹ in Lakh)		
	Amortised Costs	FVTPL	Total
Non-Current Assets			
Other Financial assets	200.92	–	200.92
Current Assets			
Cash and Bank Balances	1,376.49	–	1,376.49
Other Financial Assets - Non derivative financial asset	102.39	–	102.39
Non-current Liabilities			
Borrowings	7,965.91	10,998.88	18,964.79
Current Liabilities			
Lease Liabilities	159.54	–	159.54
Trade Payables	1,296.49	–	1,296.49

As at 31st March, 2019

(₹ in Lakh)			
Particulars	Amortised Costs	FVTPL	Total
Non- Current Assets			
Investments	–	198.17	198.17
Current Assets			
Cash and Bank Balances	572.22	–	572.22
Other Financial Assets - Non derivative financial asset	84.32	–	84.32
Non-current Liabilities			
Borrowings	6,449.85	4,252.00	10,701.85
Current Liabilities			
Trade Payables	1,163.83	–	1,163.83

34. COVID-19

The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as inventories, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which COVID-19 impacts the operations will depend on future developments which remain uncertain.

35. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, mutual funds and other financial assets.

Trade Receivables

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Cash and cash equivalents, mutual fund and other financial assets

For Cash and bank balances only high rated banks are accepted. The Company holds cash and cash equivalents with banks which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

The Company holds mutual funds with financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its mutual funds have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities

and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(₹ in Lakh)			
Particulars	Less than 1 Year	1 Year to 3 Years	3 Year to 5 Years
Non-derivative financial liabilities			
As at 31st March, 2020			
Trade and other payables	1,228.87	227.16	–
Non-Current Secured Borrowings	–	6,970.17	995.74
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPs")	–	1,837.00	1,498.70
15% Series 1 and Series 2 Optionally Convertible Redeemable Debenture ("OCD")	–	7,663.18	–
Total	1,228.87	16,697.51	2,494.44

(₹ in Lakh)			
Particulars	Less than 1 Year	1 Year to 3 Years	3 Year to 5 Years
Non-derivative financial liabilities			
As at 31st March, 2019			
Trade and other payables	1,163.83	–	–
Current unsecured borrowings	–	–	6,449.85
Series 1 Optionally Convertible Redeemable Preference Shares ("OCRPs")	–	–	1,104.00
15% Series 1 Optionally Convertible Redeemable Debenture ("OCD")	–	–	3,148.00
Total	1,163.83	–	10,701.85

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakh)		
Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Secured Term Loan		
- Expiring within one year	–	1,500.00
Unsecured Bank Overdraft facility		
- Expiring within one year	300.00	300.00
Total	300.00	1,800.00

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 risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

CURRENCY RISK

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company undertakes transactions denominated in foreign currencies only for the purchases of the components which are required to carry out the construction activities. The Company manages its foreign currency risk by forward contracts that are expected to occur within a maximum 12 month from the entering of a contract.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/ decrease in basis points	(₹ in Lakh)
As at 31 st March, 2020	INR	+100	(79.66)
	INR	-100	79.66
As at 31 st March, 2019	INR	+100	(64.50)
	INR	-100	64.50

Fair Valuation Techniques and Inputs used - Recurring Items

(₹ in Lakh)

Financial liabilities measured at Fair value	Fair value as at 31 st March, 2020	Fair value hierarchy	Valuation Technique(s)	Key input(s) used
Borrowings				
Series 1 and Series 2 Optionally Convertible Redeemable Debenture ("OCD")	7,663.18	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPS")	3,335.70	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total	10,998.88			

(₹ in Lakh)

Financial assets and liabilities measured at Fair value	Fair value as at 31 st March, 2019	Fair value hierarchy	Valuation Technique(s)	Key input(s) used
Financial assets				
Mutual fund investments	198.17	Level 1	Unquoted Market price	Not applicable as Level 1 hierarchy
Borrowings				
Series 1 Optionally Convertible Redeemable Debenture ("OCD")	3,148.00	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Series 1 Optionally Convertible Redeemable Preference Shares ("OCRPS")	1,104.00	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total	4,450.17			

Significant unobservable inputs used in level 3 fair value measurements

(₹ in Lakh)

Financial assets measured at Fair value	Fair value as at 31 st March, 2020	Fair value as at 31 st March, 2019	Fair value hierarchy	Significant unobservable inputs	Relationship of unobservable inputs to fair value and sensitivity
Borrowings					
Series 1 and Series 2 Optionally Convertible Redeemable Debenture ("OCD")	7,663.18	3,148.00	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation
Series 1 and Series 2 Optionally Convertible Redeemable preference shares ("OCRPS")	3,335.70	1,104.00	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation

Except for the above, carrying value of Other financial assets / liabilities represent reasonable estimate of fair value.

36. Segment information

The Company is engaged only in the business of development of property and related activities in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

37. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

38. Previous year figures

The figures for previous year have been regrouped wherever necessary to confirm to current year's classification.

(For and on behalf of the Board of Directors of)
Mahindra Happinest Developers Ltd.

Arvind Subramanian

Director

DIN - 02551935

Place: Mumbai

Date: 22nd April, 2020

Sangeeta Prasad

Director

DIN - 02791944

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Bloomdale Developers Limited
Report on the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of Mahindra Bloomdale Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its profit and cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. 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.

Other Information

4. The company's Board of Directors is responsible for the other information. The other information comprises the Board report. Our opinion on Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibility of Management for Ind AS Financial Statements

5. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.
6. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. 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.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. 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.

- b. 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 in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. 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.
 - e. 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.
11. 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.
 12. 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

13. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the

matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

14. 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, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014
 - e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors.
 - h) With respect to the other matters included in the Auditor's Report in accordance with Rule 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 does not have any pending litigations which would impact its financial position.
 - 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 **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Padmini Khare Kaicker
Partner
Membership No.: 044784
UDIN: 20044784AAAAAS1838

Mumbai, April 23, 2020

ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Mahindra Bloomdale Developers Limited for the year ended March 31, 2020

- 1) i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
- iii) The title deeds of immovable property are held in the name of the Company.
- 2) Company’s inventory comprises of raw materials and Construction work in progress and no material discrepancies were noticed in the same.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
- 4) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Act and the Rules framed thereunder.
- 6) We have been informed that the Central Government has prescribed maintenance of Cost records under section 148(1) of the Act and such accounts and records have been appropriately made and maintained.
- 7) i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, GST and other statutory dues applicable to it.
- ii) According to the information and explanations given to us, dues of goods and service tax, income tax, sales tax, service tax, excise duty, customs duty and value added tax which have not been deposited on account of any dispute are as follows:

Name of Statute	Amount in Rupees	Period to which amount relates	Forum where pending
Service Tax	28,09,911	April 2016 – June 2017	Commissioner of Central Excise (Appeals)
Service Tax	6,42,393	April 2016 – June 2017	CESTAT, Mumbai
Service Tax	8,78,881	April 2016 – June 2017	Commissioner of Central Excise (Appeals)
MVAT	42,00,648	FY 2010-11	Joint Commissioner (Appeals)

- 8) The Company has not obtained loans or borrowing from a financial institution, bank or Government. The Company has not raised any money through debentures.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us, the Company has not paid any remuneration to managerial personnel as defined in the Act and accordingly the provisions of para 3(xi) of the Order are not applicable to the Company.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm’s Registration No.: 105102W

Padmini Khare Kaicker
Partner
Membership No.: 044784
UDIN: 20044784AAAAAS1838

Mumbai, April 23, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA BLOOMDALE DEVELOPERS LIMITED

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 Mahindra Bloomdale Developers Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial

controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Padmini Khare Kaicker
Partner
Membership No.: 044784
UDIN: 20044784AAAAAS1838

Mumbai, April 23, 2020

BALANCE SHEET AS AT 31 MARCH, 2020

Particulars	Note No.	Rupees in Lakhs	
		As at 31 March, 2020	As at 31 March, 2019
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	13.13	33.36
(b) Financial Assets			
(i) Loans	7	254.60	240.40
(c) Deferred Tax Assets (Net)	6	612.50	887.84
(d) Non-Current Tax Assets (Net)		142.82	97.00
SUB-TOTAL		1,023.05	1,258.60
CURRENT ASSETS			
(a) Inventories	10	12,560.13	16,232.66
(b) Financial Assets			
(i) Trade Receivables.....	11	1,318.90	692.23
(ii) Cash and Cash Equivalents.....	12	677.25	252.95
(iii) Bank Balances other than (ii) above	12	45.65	305.29
(iv) Loans	7	—	—
(v) Other Financial Assets	8	3.96	2.91
(c) Other Current Assets	9	591.22	847.84
SUB-TOTAL		15,197.11	18,333.89
TOTAL ASSETS		16,220.16	19,592.49
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	5.00	5.00
(b) Other Equity		(352.87)	(682.60)
SUB-TOTAL		(347.87)	(677.60)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
Borrowings	14	7,584.53	2,474.56
(b) Provisions	15	20.72	14.10
SUB-TOTAL		7,605.25	2,488.66
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	—	1,651.63
(ii) Trade Payables	18	—	—
— Total outstanding dues of Micro Enterprises and Small Enterprises		—	—
— Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,078.40	4,321.25
(iii) Other Financial Liabilities	17	1,480.53	2,044.62
(b) Provisions	15	95.14	94.45
(c) Other Current Liabilities	19	6,308.71	9,669.47
SUB-TOTAL		8,962.78	17,781.43
TOTAL		16,220.16	19,592.49
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

**For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited**

For **B.K.Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.: 44784
Place : Mumbai
Date : April 23, 2020

Sangeeta Prasad
Director DIN NO. 02791944
Place : Mumbai
Date : April 23, 2020

Suhas Kulkarni
Director DIN NO. 00003936
Place : Mumbai
Date : April 23, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	Note No.	Rupees in Lakhs	
		Year ended 31 March, 2020	Year ended 31 March, 2019
Continuing Operations			
INCOME			
Revenue from operations	20	9,905.30	9,314.27
Other Income	21	22.40	36.42
Total Income		9,927.70	9,350.69
EXPENSES			
(a) Operating Expenses	22	8,260.26	7,557.43
(b) Employee benefit expense	23	92.66	118.56
(c) Finance Cost	24	—	—
(d) Depreciation and amortisation expense	4	9.87	51.86
(e) Other expenses	25	947.58	613.41
Total Expenses		9,310.37	8,341.26
Profit/(loss) before exceptional items and tax		617.33	1,009.43
Tax Expense			
(1) Current tax		—	—
(2) Deferred tax	5	275.81	293.00
Total tax expense		275.81	293.00
Profit/(loss) after tax from continuing operations		341.52	716.43
Profit/(loss) for the period		341.52	716.43
Other Comprehensive Income			
A (i) Items that will not be recycled to profit or loss		—	—
(a) Changes in revaluation surplus		—	—
(a) Remeasurements of the defined benefit liabilities/(asset) (Net of taxes)		1.90	2.34
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.48)	(0.68)
Total Comprehensive Income for the period		340.10	714.76
Earnings per equity share			
(1) Basic and diluted	26	683.04	1,432.85
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

For **B.K.Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.: 44784
Place : Mumbai
Date : April 23, 2020

**For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited**

Sangeeta Prasad
Director DIN NO. 02791944

Place : Mumbai
Date : April 23, 2020

Suhas Kulkarni
Director DIN NO. 00003936

Place : Mumbai
Date : April 23, 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	Rupees in Lakhs	
	Year ended 31 March, 2020	Year ended 31 March, 2019
Cash flows from operating activities		
Profit before tax for the year	617.33	1,009.43
Adjustments for:		
Finance costs recognised in profit or loss.....	–	–
IND AS 115 opening impact on Reserve & Deferred Tax	–	(2,125.04)
Depreciation and amortisation of non-current assets.....	9.87	51.86
Movements in working capital:		
Increase in trade and other receivables	(640.87)	106.14
(Increase)/decrease in inventories	3,672.53	(9,325.29)
(Increase)/decrease in other assets	255.57	2,355.93
Decrease in trade and other payables.....	(7,160.39)	7,439.80
Cash generated from operations	(3,245.97)	(487.19)
Income taxes paid	(47.72)	(71.72)
Net cash generated by operating activities.....	(3,293.68)	(558.90)
Cash flows from investing activities		
Payments for property, plant and equipment	–	(2.54)
Proceeds from maturity of bank deposits	259.64	(265.74)
Net cash (used in)/generated by investing activities	259.64	(268.28)
Cash flows from financing activities		
Proceeds from borrowings	7,959.96	–
Repayment of borrowings	(4,501.63)	(286.13)
Net cash used in financing activities	3,458.33	(286.13)
Net increase in cash and cash equivalents	424.29	(1,113.32)
Cash and cash equivalents at the beginning of the year	252.95	1,366.25
Cash and cash equivalents at the end of the year	677.26	252.96
Summary of significant accounting policies		

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

For **B.K.Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.: 44784
Place : Mumbai
Date : April 23, 2020

**For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited**

Sangeeta Prasad
Director DIN NO. 02791944

Place : Mumbai
Date : April 23, 2020

Suhas Kulkarni
Director DIN NO. 00003936

Place : Mumbai
Date : April 23, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

A. Equity share capital

Particulars	Rs. In Lakhs
	Total
As at 1 April, 2018	5.00
Changes in equity share capital during the year	—
As at 31 March, 2019	5.00
Changes in equity share capital during the year	—
As at 31 March, 2020	5.00

B. Other Equity

Particulars	Retained Earnings	Other Comprehensive Income-Actuarial Gain/Loss	Total
As at 31 March, 2018	99.92	2.84	102.76
Profit / (Loss) for the period	716.43	—	716.43
Other Comprehensive Income / (Loss)	—	(1.66)	(1.66)
Impact of INDAS 115 on opening reserve	(1,500.13)	—	(1,500.13)
As at 31 March, 2019	(683.78)	1.18	(682.60)
Profit / (Loss) for the period	341.52	—	341.52
Other Comprehensive Income / (Loss)	—	(1.42)	(1.42)
Other Adjustment (Accumulated Depreciation impact on Reserve)	(10.37)	—	(10.37)
As at 31 March, 2020	(352.62)	(0.24)	(352.87)

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

For **B.K.Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.: 44784
Place : Mumbai
Date : April 23, 2020

**For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited**

Sangeeta Prasad
Director DIN NO. 02791944

Place : Mumbai
Date : April 23, 2020

Suhas Kulkarni
Director DIN NO. 00003936

Place : Mumbai
Date : April 23, 2020

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. General Information

Mahindra Bloomdale Developers Limited (Earlier known as Mahindra Bebanco Developers Limited), a wholly own subsidiary of Mahindra Lifespace Developers Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activity of the Company is development of residential complexes in MIHAN Nagpur.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development

of the property is completed. The revenue is measured at the transaction price agreed under the contract.

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

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

- Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.13.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial

asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability,

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that

are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.14.2.7 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Significant accounting judgements, estimates and assumptions

3.1 Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

3.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

NOTE NO. 4 - PROPERTY, PLANT AND EQUIPMENT

Rs. In Lakhs

Description of Assets	Buildings – Leasehold	Office Equipment	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at 1 April 2019	255.23	18.66	41.47	38.39	353.75
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
Balance as at 31 March 2020	255.23	18.66	41.47	38.39	353.75
II. Accumulated depreciation and impairment					
Balance as at 1 April 2019	250.42	15.82	21.03	33.11	320.39
Depreciation expense for the year	3.00	0.74	2.89	3.23	9.87
Other Adjustment	1.80	1.01	7.77	(0.22)	10.37
Balance as at 31 March 2020	255.23	17.58	31.69	36.12	340.62
III. Net carrying amount (I-II)	0.00	1.08	9.78	2.27	13.13

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	Rs. In Lakhs				
Description of Assets	Buildings – Leasehold	Office Equipment	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at 1 April 2018	255.23	18.66	40.88	36.45	351.21
Additions	–	–	0.59	1.94	2.54
Disposals	–	–	–	–	–
Balance as at 31 March 2019	255.23	18.66	41.47	38.39	353.75
II. Accumulated depreciation and impairment					
Balance as at 1 April 2019	206.61	15.04	18.15	28.72	268.53
Depreciation expense for the year	43.81	0.79	2.87	4.39	51.86
Balance as at 31 March 2018	250.42	15.82	21.03	33.11	320.39
III. Net carrying amount (I-II)	4.81	2.83	20.45	5.28	33.36

Impairment losses recognised in the year:

During the reporting period Company had not recognised any impairment loss on PPE.

Method of Depreciation:

Depreciation on tangible fixed assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or estimated useful life, whichever is lower. Sales office & the sample flat/show unit (Leasehold Building) cost, its furniture and office equipments are amortised over a period of 5 years.

NOTE NO. 5 - INCOME TAXES

(a) Income Tax recognised in profit or loss

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current Tax:		
In respect of current year	–	–
In respect of prior years	–	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	155.38	293.00
Adjustments due to changes in tax rates	120.43	–
Total income tax expense on continuing operations	275.81	293.00

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Profit before tax from continuing operations	617.33	1,009.43
Income tax expense calculated at 25.17% (PY @29.12%)	155.38	293.94
Reduction in tax rate	24.38	–
Changes in recognised deductible temporary differences	96.05	–
Others	–	(0.94)
Income tax expense recognised In profit or loss from continuing operations	275.81	293.00

The tax rate used for the 31 March 2020 and 31 March 2019 reconciliations above is the corporate tax rate of 22% and 25% respectively (plus Surcharge Plus EC plus SHEC) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

NOTE NO. 6: DEFERRED TAX (NET)

(i) Movement in deferred tax balances

Particulars	Opening Balance	For the Year ended 31 March, 2020 Recognised in profit and Loss	Recognised in OCI	Recognised in Equity	Closing Balance
Tax effect of items constituting deferred tax assets					
Property, Plant and Equipment	35.00	(4.75)	–	–	30.25
IND AS 115 Impact on opening Reserve	618.81	(83.94)	–	–	534.87
Carryforward Tax Loss	278.56	(193.17)	–	–	85.39
Employee Benefits	3.46	(0.47)	0.48	–	3.47
	<u>935.84</u>	<u>(282.32)</u>	<u>0.48</u>	<u>–</u>	<u>653.99</u>
Tax effect of items constituting deferred tax liabilities					
Other Items	(48.00)	6.51	–	–	(41.49)
	<u>(48.00)</u>	<u>6.51</u>	<u>–</u>	<u>–</u>	<u>(41.49)</u>
Net Tax Asset/(Liabilities)	887.84	(275.81)	0.48	–	612.50

Particulars	Opening Balance	For the Year ended 31 March, 2019 Recognised in profit and Loss	Recognised in OCI	Recognised in Equity	Closing Balance
Tax effect of items constituting deferred tax assets					
Property, Plant and Equipment	35.00	–	–	–	35.00
IND AS 115 Impact on opening Reserve	–	–	–	618.81	618.81
Carryforward Tax Loss	571.56	(293.00)	–	–	278.56
Employee Benefits	2.78	–	0.68	–	3.46
Other Temporary Differences (please specify)					
	<u>609.34</u>	<u>(293.00)</u>	<u>0.68</u>	<u>618.81</u>	<u>935.84</u>
Tax effect of items constituting deferred tax liabilities					
Other Items	(48.00)	–	–	–	(48.00)
	<u>(48.00)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(48.00)</u>
Net Tax Asset/(Liabilities)	561.34	(293.00)	0.68	618.81	887.84

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note No. 7 - Financial Assets

Particulars	Rs. In Lakhs			
	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
Loans				
(a) Secured, considered good	-	-	-	-
(b) Unsecured, considered good				-
(i) Security Deposits	-	254.60	-	240.40
Total	-	254.60	-	240.40

Note No. 8 - Other Financial Assets

Particulars	Rs. In Lakhs			
	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost				
(i) Interest Accrued on Fixed Deposits	3.96	-	2.91	-
Total	3.96	-	2.91	-

Note No. 9 - Other Current Assets

Particulars	Rs. In Lakhs			
	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
(i) Advance to vendors	462.71	-	167.30	-
(ii) Balances with government authorities (other than income taxes)	2.39	-	209.70	-
(iii) Prepaid Expenses	126.12	-	470.84	-
Total	591.22	-	847.84	-

Note No. 10 - Inventories

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Raw Material	176.10	189.10
Construction Work in progress	12,190.41	15,590.69
Finished Goods	193.62	452.85
Total Inventories (at lower of cost and net realisable value)	12,560.13	16,232.64

Note-(a) Construction Work in Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

Note No. 11 - Trade receivables

Particulars	Rs. In Lakhs			
	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
Trade receivables				
(a) Secured, considered good	-	-	-	-
(b) Unsecured, considered good	1,318.90	-	692.23	-
(c) Which have significant increase in credit risk	-	-	-	-
(d) Credit Impaired	-	-	-	-
Total	1,318.90	-	692.23	-
Of the above, trade receivables from:				
- Related Parties	-	-	-	-
- Others	1,318.90	-	692.23	-
Total	1,318.90	-	692.23	-

Note (a)- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note No. 12 - Cash and Bank Balances

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Balances with banks	677.25	252.95
Cash on hand	-	-
Total Cash and cash equivalent	677.25	252.95
Other Bank Balances		
Balances with Banks:		
(i) On Margin Accounts	45.65	305.29
(ii) Fixed Deposits with maturity greater than 3 months	-	-
Total Bank Balances other than above	45.65	305.29

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note No. 13 - Equity Share Capital

Particulars	Rs. In Lakhs			
	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of Rs.10 each with voting rights	50,000	5.00	50,000	5.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	50,000	5.00	50,000	5.00
Total	50,000.00	5.00	50,000.00	5.00

(i) **Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

Particulars	Rs. In Lakhs			
	Opening Balance	Fresh Issue	Bonus	Closing Balance
Equity Shares with Voting rights				
Year Ended 31 March 2020				
No. of Shares	50,000	—	—	50,000
Amount	5.00	—	—	5.00
Year Ended 31 March 2019				
No. of Shares	50,000	—	—	50,000
Amount	5.00	—	—	5.00

(ii) **Terms/ Rights attached to Equity Shares**

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(iii) **Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:**

Particulars	No. of Shares	
	Equity Shares with Voting rights	
As at 31 March 2020		
Mahindra Lifespaces Developers Limited, the Holding Company		50,000
As at 31 March 2019		
Mahindra Lifespaces Developers Limited, the Holding Company		50,000

Note No. 14 - Non-Current Borrowings

Particulars	Rate of Interest	Rs. In Lakhs	
		As at 31 March 2020	As at 31 March 2019
A. Unsecured Borrowings - at amortised Cost			
(a) Loans from related parties			
- Mahindra Lifespaces Developers Limited	9.20%	3,929.53	2,474.56
- Mahindra Industrial Developers Limited	8.90%	1,900.00	—
- Mahindra Industrial Park Private Limited	9.25%	1,755.00	—
Total Unsecured Borrowings	—	7,584.53	2,474.56

Note No. 15 - Provisions

Particulars	As at 31 March 2020		Rs. In Lakhs	
	Current	Non-Current	As at 31 March 2019	Non-Current
(a) Provision for employee benefits	2.14	20.72	1.45	14.10
(b) Other Provisions				
(i) Defect Liability provision	93.00	—	93.00	—
Total	95.14	20.72	94.45	14.10

Note (a) - Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect residential units given under perpetual lease, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under the defect liability period limited to 5 years from the date of handover of residential units.

Note No. 16 - Current Borrowings

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
A. Secured Borrowings		
(i) From Banks- Cash Credit	—	1,651.63
Total	—	1,651.63

Note (a) - The cash credit facility from bank Rs. Nil (PY Rs. 1651.63 Lakhs) is secured by First pari passu charge by way of mortgage on the Property / Project and second charge over escrow of receivables from Project Rate of interest is base rate plus 0.70%.

Note No. 17 - Other Financial Liabilities

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Current		
Interest accrued on borrowings	420.74	1,304.96
Society Maintenance deposits (Net)	709.62	319.49
Retention Money	350.17	420.17
Total	1,480.53	2,044.62

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note No. 18 - Trade Payables

Particulars	Rs. In Lakhs			
	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
Trade payable - Micro and small enterprises*	0.97	-	-	-
Trade payable - Other than micro and small enterprises	1,077.42	-	4,321.25	-
	<u>1,078.40</u>	<u>-</u>	<u>4,321.25</u>	<u>-</u>

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

*This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company dues outstanding in respect to Micro, Small and Medium Enterprises as of Balance Sheet Date are shown as above.

Note No. 19 - Other Liabilities

Particulars	Rs. In Lakhs			
	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
a. Advances received from customers	6,272.76	-	9,623.91	-
b. Statutory dues				
Tax Deducted at sources	35.26	-	44.96	-
Provident Fund Payable	0.67	-	0.57	-
Professional Tax Payable	0.03	-	0.03	-
	<u>6,308.71</u>	<u>-</u>	<u>9,669.47</u>	<u>-</u>

Note No. 20 - Revenue from Operations

Particulars	Rs. In Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
(a) Income from Projects	9,905.30	9,314.27
Total	<u>9,905.30</u>	<u>9,314.27</u>

1. Contract Balances

Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers". Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables.

During the year, the Company recognised Revenue of Rs. 6,726.89 lakhs from opening contract liability (after Ind AS 115 adoption) of Rs. 9,623.91 lakhs and during previous year company recognised revenue of Rs. 7588.29 Lakhs from opening contract liability (after Ind AS 115 adoption) of Rs. 13504.46 Lakhs.

There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2020, is Rs. 14277.74 lakhs (PY Rs. 18744.00 Lakhs). Out of this, the Company expects to recognize revenue of around 50% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

2. Reconciliation of revenue recognized with the contracted price is as follows:	Rs. Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Contracted price	10,257.01	9,471.35
Input Tax Credit	351.71	157.08
Adjustments on account of cash discounts or early payment rebates, etc.	-	-
Revenue recognised as per Statement of Profit & Loss	<u>9,905.30</u>	<u>9,314.27</u>

3. Contract Costs	Rs. Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
Costs to obtain contracts	126.44	470.84

For the year ended 31 March 2020, amortisation amounting to Rs 700.54 lakhs (PY Rs. 115.85 Lakhs) was recognised as Subvention Interest, Compensation to Customers and Brokerage cost in note no. 25 - Other Expenses. There were no impairment loss in relation to the costs capitalised.

Note No. 21 - Other Income

Particulars	Rs. In Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
(a) Interest Income		
(i) On Bank Deposits	7.37	27.28
(b) Miscellaneous Income	15.03	9.14
Total	<u>22.40</u>	<u>36.42</u>

Note No. 22 Operating Expenses

Particulars	Rs. In Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
Cost of materials consumed	8,260.26	7,557.43

Note No. 23 - Employee Benefits Expense

Particulars	Rs. In Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages, including bonus	130.97	152.91
Contribution to provident and other funds	9.64	6.54
Staff welfare expenses	7.98	13.50
Less : Allocated to projects	(55.92)	(54.40)
Total	<u>92.66</u>	<u>118.56</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note No. 24 - Finance Cost

	Rs. In Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
Particulars		
Interest on Income Tax	-	-
Interest -Others	-	-
Interest on Loan from related parties	569.86	238.35
Interest on Borrowings	-	-
Interest on Cash Credit	33.29	216.64
Less: Allocated to Projects	(603.15)	(454.99)
Total	-	-

Note No. 25 - Other Expenses

	Rs. In Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
Repairs and Maintenance		
Others	19.83	23.51
Legal and Professional Fee	19.70	39.53
Advertisement and Marketing Expenses	139.67	218.93
Subvention Interest	394.29	100.06
Compensation to customers	234.07	141.47
Brokerage	72.19	15.79
Remuneration to auditors:		
For Statutory Audit Fees	5.50	5.00
For Tax Audit Fees	0.83	0.75
For Other Services	1.65	2.50
Corporate Social Responsibility Expenditure	0.24	-
Miscellaneous Expenses	59.61	65.86
Total	947.58	613.41

Note No. 26 - Earnings per Share

Basic and Diluted Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March, 2019
Profit / (loss) for the year attributable to owners of the Company	341.52	716.43
Weighted average number of equity shares	50,000	50,000
Earnings per share - Basic and Diluted (₹)	683.04	1,432.85

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	For the year ended 31 March 2020	For the year ended 31 March, 2019
Particulars		
Opening No. of Equity Shares	50,000	50,000
Additions	-	-
Closing No. of Equity Shares	50,000	50,000
Weighted average number of equity shares used in the calculation of Basic and diluted EPS	50,000	50,000

Note No. 27 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

	As at 31 March, 2020	As at 31 March, 2019
Particulars		
Debt (A)	7,584.52	4,126.20
Equity (B)	(347.87)	(677.60)
Debt Ratio (A / B)	(21.80)	(6.09)

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

	Rs. In Lakhs As at 31 March, 2020			
Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	254.60	-	-	254.60
Current Assets				
Trade Receivables	1,318.90	-	-	1,318.90
Other Bank Balances	45.65	-	-	45.65
Loans	-	-	-	-
Other Financial Assets				
- Non Derivative Financial Assets	3.96	-	-	3.96
Non-current Liabilities				
Borrowings	7,584.53	-	-	7,584.53
Current Liabilities				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other Financial Liabilities				
- Non Derivative Financial Liabilities	1,480.53	-	-	1,480.53

	Rs. In Lakhs As at 31st March, 2019			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	240.40	-	-	240.40
Current Assets				
Trade Receivables	692.23	-	-	692.23
Other Bank Balances	305.29	-	-	305.29
Loans	-	-	-	-
Other Financial Assets				
- Non Derivative Financial Assets	2.91	-	-	2.91
Non-current Liabilities				
Borrowings	2,474.56	-	-	2,474.56
Current Liabilities				
Borrowings	1,651.63	-	-	1,651.63
Trade Payables	4,321.25	-	-	4,321.25
Other Financial Liabilities				
- Non Derivative Financial Liabilities	2,044.62	-	-	2,044.62

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

Trade Receivables:

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Balances with Banks, mutual funds and other financial assets:

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Rs. In Lakhs		
Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31-Mar-20			
Non-current Liabilities			
Borrowings	—	7,584.53	—
Current Liabilities			
Borrowings	—	—	—
Trade Payables	—	—	—
Other Financial Liabilities			
- Non Derivative Financial Liabilities	1,480.53	—	—
Total	1,480.53	7,584.53	—

	Rs. In Lakhs		
Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31-Mar-19			
Non-current Liabilities			
Borrowings	—	2,474.56	—
Current Liabilities			
Borrowings	1,651.63	—	—
Trade Payables	4,321.25	—	—
Other Financial Liabilities			
- Non Derivative Financial Liabilities	2,044.62	—	—
Total	8,017.50	2,474.56	—

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Secured Cash Credit facility		
- Expiring within one year	—	148.37
	—	148.37

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Rs. In Lakhs		
Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31 March 2020			
Non-current Assets			
Loans	—	254.60	—
Current Assets			
Trade Receivables	1,318.90	—	—
Other Bank Balances	45.65	—	—
Loans	—	—	—
Other Financial Assets	3.96	—	—
- Non Derivative Financial Assets	—	—	—
Total	1,368.51	254.60	—
31 March 2019			
Non-current Assets			
Loans	—	240.40	—
Current Assets			
Trade Receivables	692.23	—	—
Other Bank Balances	305.29	—	—
Loans	—	—	—
Other Financial Assets	2.91	—	—
- Non Derivative Financial Assets	—	—	—
Total	1,000.44	240.40	—

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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 risk comprises three types of risk: interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Note No. 28 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31-Mar-20		31-Mar-19	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
- Loans (Non-Current)	254.60	254.60	240.40	240.40
- Trade Receivables	1,318.90	1,318.90	692.23	692.23
- Cash and Cash Equivalents	677.25	677.25	252.95	252.95
- Other Bank Balances	45.65	45.65	305.29	305.29
- Other Financial Assets	3.96	3.96	2.91	2.91
- Loans (Current)	-	-	-	-
Total	2,300.37	2,300.37	1,493.79	1,493.79
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
- Non-Current Borrowings	7,584.53	7,584.53	2,474.56	2,474.56
- Borrowings	-	-	1,651.63	1,651.63
- Trade Payables	1,078.40	1,078.40	4,321.25	4,321.25
- Other Financial Liabilities	1,480.53	1,480.53	2,044.62	2,044.62
Total	10,143.45	10,143.45	10,492.07	10,492.07

Fair value hierarchy as at 31st March, 2020

Particulars	Level 1	Level 2	Level 3
Financial assets			
<u>Financial assets carried at Amortised Cost</u>			
- Trade Receivables	-	1,318.90	-
- Cash and Cash Equivalents	-	677.25	-
- Other Bank Balances	-	45.65	-
- Other Financial Assets	-	3.96	-
- Loans	-	-	-
Total	-	2,045.76	-

Particulars	Level 1	Level 2	Level 3
Financial liabilities			
<u>Financial liabilities held at amortised cost</u>			
- Non-Current Borrowings	-	7,584.53	-
- Borrowings	-	-	-
- Trade Payables	-	1,078.40	-
- Other Financial Liabilities	-	1,480.53	-
Total	-	10,143.45	-

Fair value hierarchy as at 31st March, 2019

Particulars	Level 1	Level 2	Level 3
Financial assets			
<u>Financial assets carried at Amortised Cost</u>			
- Trade Receivables	-	692.23	-
- Cash and Cash Equivalents	-	252.95	-
- Other Bank Balances	-	305.29	-
- Other Financial Assets	-	2.91	-
- Loans	-	-	-
Total	-	1,253.39	-

Financial liabilities			
<u>Financial liabilities held at amortised cost</u>			
- Non-Current Borrowings	-	2,474.56	-
- Borrowings	-	1,651.63	-
- Trade Payables	-	4,321.25	-
- Other Financial Liabilities	-	2,044.62	-
Total	-	10,492.07	-

29 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 9.64 lakhs (2019 : Rs.6.54 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Principal Actuarial Assumptions

Particulars	Year ended 31st March 2020 Rs	Year ended 31 March 2019 Rs
Discount rate	6.70%	7.60%
Retirement age	60 years	60 years
Average Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Salary escalation	10.00%	10.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Reconciliation of Benefit Obligation

	As at 31 March 2020	As at 31 March 2019
Change in defined benefit obligations (DBO)		
Present value of DBO at beginning of the year	8.36	6.74
Current service cost	1.92	1.85
Transfer In/ (Out)	0.15	(2.98)
Interest cost	0.64	0.41
Actuarial (gains) / losses	1.89	2.34
Past Service Cost	-	-
Benefits paid	-	-

Present value of DBO at the end of the year	12.96	8.36
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Expenses recognised in the statement of profit and loss

	Year ended 31 March 2020	Year ended 31 March 2019
Components of employee benefit expenses		
Current service cost	1.92	1.85
Past Service Cost	-	-
Interest cost	0.64	0.41
Total expense recognised in the statement of profit and loss	2.56	2.26

	Year ended 31 March 2020	Year ended 31 March 2019
Components of other comprehensive income		
Actuarial Loss on obligation	1.90	2.21
Components of defined benefit costs recognised in other comprehensive income	1.90	2.21

	Year ended 31 March 2020	Year ended 31 March 2019
Net Asset/(Liability) recognised in the Balance Sheet		
Present value of defined benefit obligation as at 31 st March	12.96	8.36
Fair value of plan assets as at 31 st March	-	-
Surplus/(Deficit)	(12.96)	(8.36)
Current portion of the above	(0.86)	(0.55)
Non current portion of the above	(12.10)	(7.81)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Impact on defined benefit obligation	
	Changes in assumption	PO as on Valuation date on account of increase in assumption	PO as on Valuation date on account of decrease in assumption
Discount rate	2020	1.00%	11.92
	2019	1.00%	7.73
Salary growth rate	2020	1.00%	13.92
	2019	1.00%	8.97

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions

the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

Note - 30 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2018 are as under:

Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006

Particulars	31-Mar-20	31-Mar-19
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Note No. 31- Related Party Disclosures

(a) Related Parties where control exists

(i) Ultimate Holding Company

Mahindra & Mahindra Company

(ii) Holding Company

Mahindra Lifespace Developers Limited (wholly owned subsidiary w.e.f. May 29, 2018)

(b) Other Parties with whom transaction have taken place during the year

(i) Fellow Subsidiaries

Mahindra Integrated Business Solutions Private Limited

Mahindra Industrial Developers Limited

(ii) Joint Ventures

Mahindra Industrial Park Private Limited

Note: Related parties have been identified by the Management.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Details of related party transactions and balances outstanding as at 31 March, 2020:

Nature of transactions	Rs in Lakhs					
	Ultimate Holding Company (Mahindra & Mahindra Limited)		Holding Company (Mahindra Lifespace Developers Limited)		Fellow Subsidiary (Mahindra Integrated Business Solutions Private Limited)	
	Year Ended 31st Mar 2020	Year Ended 31st Mar 2019	Year Ended 31st Mar 2020	Year Ended 31st Mar 2019	Year Ended 31st Mar 2020	Year Ended 31st Mar 2019
<u>Transactions during FY 19-20</u>						
(Income)/Expenses						
Purchase of services	9.37	13.71	17.99	20.59	6.87	5.09
Inter corporate deposit taken	—	—	4,304.96	—	—	—
Interest on ICD	—	—	459.73	227.78	—	—
Inter corporate deposit repaid	—	—	2,850.00	—	—	—
<u>Outstandings as on Balance Sheet date</u>						
Liability/(Asset)						
Payable Towards Mark Up	—	—	201.28	603.48	—	—
Payable Towards ICD Interest	—	—	321.62	1,304.96	—	—
Payable Towards Purchase of services	0.45	12.41	—	—	0.15	0.41
Other Advances Recoverable	—	—	—	—	—	—
Mobilisation Advance Recoverable	—	—	—	—	—	—
Payable Towards ICD	—	—	3,929.52	2,474.56	—	—

Nature of transactions	Rs in Lakhs			
	Joint Venture (Mahindra Industrial Park Private Ltd)		Fellow Subsidiary (Mahindra Industrial Developers Limited)	
	Year Ended 31st Mar 2020	Year Ended 31st Mar 2019	Year Ended 31st Mar 2020	Year Ended 31st Mar 2019
<u>Transactions during FY 19-20</u>				
(Income)/Expenses				
Purchase of services	—	—	—	—
Inter corporate deposit taken	1,755.00	—	1,900.00	—
Interest on ICD	64.38	—	45.75	—
Inter corporate deposit repaid	—	—	—	—
<u>Outstandings as on Balance Sheet date</u>				
Liability/(Asset)				
Payable Towards Mark Up	—	—	—	—
Payable Towards ICD Interest	57.94	—	41.18	—
Payable Towards Purchase of services	—	—	—	—
Other Advances Recoverable	—	—	—	—
Mobilisation Advance Recoverable	—	—	—	—
Payable Towards ICD	1,755.00	—	1,900.00	—

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note No. 32-Contingent Liabilities

Particulars	31-Mar-20	31-Mar-19
(i) Income Tax Matter under appeal		
Rectification order from the IT office pending towards Refunds claimed by the company	43.20	43.20
(ii) Indirect Tax Matters under appeal		
VAT and Service Tax claims disputed by the Company relating to issues of applicability. Company is pursuing the matter with the appropriate Appellate Authorities	42.01	85.64

Note No. 33 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 34- Unhedged Foreign Currency Exposure

The Company has no foreign currency exposure during the current year and previous year.

Note No. 35- Comparatives

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

For **B.K.Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.: 44784
Place : Mumbai
Date : April 23, 2020

**For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited**

Sangeeta Prasad
Director DIN NO. 02791944

Place : Mumbai
Date : April 23, 2020

Suhas Kulkarni
Director DIN NO. 00003936

Place : Mumbai
Date : April 23, 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Mahindra Infrastructure Developers Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2020 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of 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 financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its Profit and cash flows 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. Our responsibilities under those Standards are further described in *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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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 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.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement 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 Responsibilities 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 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.

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 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.

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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial statements;
 - 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 **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner

Place: Mumbai
Date: 24.04.2020

Membership No. : 049818
UDIN:20049818AAAABM2251

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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 (the “Order”), and on the basis of such checks of the books and records of the Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

i. In respect of its fixed assets:

As per information provided by the Company to us, it does not have any fixed asset as on 31st March, 2020. Accordingly, paragraph 3 (i) of the Order is not applicable to the Company.

ii. In respect of its inventories:

The Company does not have inventory. Accordingly, clause 3(ii) of the Order is not applicable.

iii. In respect of Loans and Advances:

According to the information and explanations given to us, the Company has granted unsecured loans to bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which :

- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations
 - (c) There is no overdue amount remaining outstanding as at the year-end
- iv. According to the information and explanations given to us, the Company has not given any loans, made, any investment nor issued any guarantees and securities. Hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
 - v. The company has not accepted any deposits covered under section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
 - vi. The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

- a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including Income tax, service

tax, sales tax, goods and service tax and other material statutory dues as applicable with the appropriate authorities.

- b) According to the records of the company and the information and explanations given to us, there are no dues of Income tax, service tax, goods and service tax, Duty of customs, duty of excise, value added tax which have not been deposited on 31st March, 2020 on account of any dispute.
- viii. According to the records of the company and the information and explanations given by the Company, the Company does not have any loans or borrowing from financial institution, bank, Government or dues to debenture holders and hence relevant provisions of the Order is not applicable.
- ix. The company has not raised any money by public issues during the year and in our opinion, and according to the information and explanations given to us, on an overall basis, the Company does not have term loans and hence relevant provisions of the Order is not applicable.
- x. In our opinion and according to the information and explanations given to us, any fraud by the company or any fraud on the Company by its officers or employees has not been noticed or reported during the year.
- xi. The Managerial remuneration has not been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and so relevant clause is not applicable.
- xiii. All transactions with the related parties are in companies with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financials statements.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year which is covered under Section 42 of the Companies Act, 2013 during the year.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner

Place: Mumbai
Date: 24.04.2020

Membership No. : 049818
UDIN:20049818AAAABM2251

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

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 **Mahindra Infrastructure Developers Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner

Place: Mumbai
Date: 24.04.2020

Membership No. : 049818
UDIN:20049818AAAABM2251

BALANCE SHEET AS AT 31ST MARCH, 2020

			(Amount in ₹.)
	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
I ASSETS			
Non-current assets			
(a) Financial assets			
(i) Investments	4	1,028,989	1,028,989
(ii) Loans	5	191,000,000	–
(b) Other non-current assets	6	5,511,460	4,178,000
Total Non-current assets (I)		197,540,449	5,206,989
Current assets			
(a) Financial assets			
(i) Trade receivables	7	200,161	200,161
(ii) Cash and cash equivalents	8(a)	2,168,487	682,517
(iii) Bank balances other than (ii) above	8(b)	4,914,875	113,719,294
(iv) Others	9	4,268,908	5,586,027
(b) Other current assets	6	251,918	1,000,187
Total current assets (II)		11,804,349	121,188,186
Total assets [(I) + (II)]		209,344,798	126,395,175
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	180,000,000	180,000,000
(b) Other equity	11	24,288,299	(58,170,971)
Total equity (III)		204,288,299	121,829,029
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	12	–	–
– total outstanding dues of micro enterprises and small enterprises....		–	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises		2,124,323	2,199,997
(b) Other current liabilities	13	2,932,176	2,366,148
Total current liabilities (IV)		5,056,499	4,566,145
Total equity and liabilities [(III) + (IV)]		209,344,798	126,395,175

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 24th April 2020**Santosh Gupta**

Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat

Chief Executive Officer

Geeta Dhokare

Company Secretary

ACS : 51135

Ulhas Bhosale

Director (DIN: 08217384)

Suhas Kulkarni

Director (DIN: 00003936)

Place: Mumbai

Date: 24th April 2020

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2020

		(Amount in ₹)	
Particulars	Note No.	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
I Revenue from operations.....		—	—
II Other income.....	14	210,092,491	105,987,723
III Total income (I+II)		210,092,491	105,987,723
IV Expenses			
(a) Employee benefit expense.....	15	96,986	96,986
(b) Other expenses.....	16	419,759	637,847
Total Expenses (IV)		516,745	734,833
V Profit/(Loss) before tax (III-IV)		209,575,747	105,252,890
VI Tax Expense			
(1) Current tax.....	17	2,916,477	1,626,012
(2) Deferred tax.....		—	—
Total tax expense		2,916,477	1,626,012
VII Profit/(Loss) for the year (V-VI)		206,659,270	103,626,878
Other comprehensive income		—	—
(1) Items that will not be reclassified to profit or loss.....		—	—
(2) Items that may be reclassified to profit or loss.....		—	—
VIII Total other comprehensive income (1)+(2)		—	—
IX Total comprehensive income for the year (VII+VIII)		206,659,270	103,626,878
X Earnings per equity share			
Basic/Diluted.....	18	11.48	5.76

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 24th April 2020

Santosh Gupta

Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat

Chief Executive Officer

Ulhas Bhosale

Director (DIN: 08217384)

Geeta Dhokare

Company Secretary

ACS : 51135

Suhas Kulkarni

Director (DIN: 00003936)

Place: Mumbai

Date: 24th April 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	(Amount in ₹)	
	For The Year Ended 31st March, 2020	For The Year Ended 31st March, 2019
Cash flow from operating activities		
Profit/(Loss) for the year	209,575,747	105,252,890
Adjustments for:		
Income tax expense recognised in the statement of profit and loss.....	(2,916,477)	(1,626,012)
Interest income	(12,094,491)	(6,988,723)
Dividend Income.....	(197,998,000)	(98,999,000)
	(3,433,221)	(2,360,845)
Movements in working capital:		
Increase in other financial assets	2,065,388	(4,696,340)
Decrease in other current assets	(1,333,460)	(1,577,373)
Increase in trade payables.....	(75,674)	(10,166,016)
Increase/(decrease) in other current liabilities	566,028	1,520,785
Net cash generated by/(used in) operating activities	(2,210,940)	(17,279,789)
Cash flows from investing activities		
Interest received	12,094,491	6,988,723
Dividends received from Subsidiary	197,998,000	98,999,000
Bank balances not considered as cash and cash equivalents		
– Placed	108,804,419	(90,436,995)
– Matured.....	–	–
Net cash generated by investing activities	318,896,910	15,550,728
Cash flows from financing activities		
Dividends paid to owners of the Company	(124,200,000)	–
Inter Corporate Deposit given	(191,000,000)	–
Net cash generated by financing activities	(315,200,000)	
Net increase in cash and cash equivalents	1,485,970	(1,729,061)
Cash and cash equivalents at the beginning of the year.....	682,517	2,411,578
Cash and cash equivalents at the end of the year	2,168,487	682,517

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 24th April 2020**Santosh Gupta**

Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat

Chief Executive Officer

Geeta Dhokare

Company Secretary

ACS : 51135

Ulhas Bhosale

Director (DIN: 08217384)

Suhas Kulkarni

Director (DIN: 00003936)

Place: Mumbai

Date: 24th April 2020

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2020

A. Equity share capital	(Amount in ₹)
Balance as at 31st March, 2018	180,000,000
Changes in equity share capital during the period	–
Balance as at 31st March, 2019	180,000,000
Changes in equity share capital during the period	–
Balance as at 31st March, 2020	180,000,000
B. Other Equity	Retained earnings
	(Amount in ₹)
Balance as at 31st March, 2018	(161,797,848)
Profit/(Loss) for the year	103,626,878
Other comprehensive income	–
Total comprehensive income	103,626,878
Balance as at 31st March, 2019	(58,170,970)
Profit/(Loss) for the year	206,659,270
Other comprehensive income	–
Total comprehensive income	206,659,270
Balance as at 31st March, 2020	148,488,299

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 24th April 2020

Santosh Gupta

Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat

Chief Executive Officer

Ulhas Bhosale

Director (DIN: 08217384)

Geeta Dhokare

Company Secretary

ACS : 51135

Suhas Kulkarni

Director (DIN: 00003936)

Place: Mumbai

Date: 24th April 2020

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Mahindra Infrastructure Developers Limited ("the Company") is a public company incorporated in India on 10th May, 2001 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of infrastructure projects and infrastructure related services.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 24th April, 2020.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of

money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items

that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 4 – Investments

Particulars	Face Value ₹	As at 31 st March, 2020		As at 31 st March, 2019	
		Nos.	Amount in ₹	Nos.	Amount in ₹
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid) Investments in Equity Instruments					
– of subsidiaries					
Mahindra Water Utilities Private Limited	10	98,999	778,999	98,999	778,999
(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)					
– of joint ventures					
Mahindra Inframan Water Utilities Private Limited	10	24,999	249,990	24,999	249,990
– of associate					
Ratna Bhoomi Enterprise Private Limited	10	500	–	500	–
Investments in Preference shares					
– of associate					
10% Non-cumulative redeemable participating optionally convertible preference shares in Ratna Bhoomi Enterprise Private Limited (Refer Notes below)	10	119,250	–	119,250	–
Total (A)	–	–	1,028,989	–	1,028,989
B. Investment carried at fair value through other comprehensive income					
Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
New Tirupur Area Development Corporation Limited	10	15,000,000	–	15,000,000	–
Total (B)	–	–	–	–	–
Total Investments (A) + (B)	–	–	1,028,989	–	1,028,989

Note No. 5 - Loans

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Current	Non- Current	Current	Non- Current
a) Loans to related parties				
– Secured, considered good	–	–	–	–
– Unsecured, considered good	–	191,000,000	–	–
– Doubtful	–	–	–	–
Less: Allowance for Credit Losses	–	–	–	–
Total	–	191,000,000	–	–

Note No. 6 - Other assets

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Non-current	Current	Non-current	Current
(a) Prepaid Expenses	–	31,793	–	90,000
(b) Income tax assets (net)	5,386,460	–	4,053,000	–
(c) Balances with government authorities (other than income taxes)				
Service tax credit receivables	–	62,050	–	788,818
(d) Security deposit				
Unsecured, considered good	125,000	–	125,000	–
(e) Other receivables	–	158,076	–	121,369
Total other assets	5,511,460	251,918	4,178,000	1,000,187

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 7 - Trade receivables

Particulars	(Amount in ₹)	
	As at 31 st March, 2020 Current	As at 31 st March, 2019 Current
Trade receivable outstanding for a period exceeding six months from the date they are due for payment – Unsecured, considered good	200,161	200,161
Total trade receivables	200,161	200,161

Note No. 8

(a) Cash and cash equivalents

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
(a) Balance with bank	2,168,487	682,517
Total cash and cash equivalents	2,168,487	682,517

(b) Other bank balances

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
(a) In deposit accounts	4,914,875	113,719,294
Total other bank balances	4,914,875	113,719,294

Note No. 9 - Other financial assets

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
(a) Financial assets at amortised cost		
Interest accrued but not due on deposits	89,801	1,001,713
Interest accrued but not due on ICD	4,179,107	–
Total other financial assets	4,268,908	1,001,713

Note No. 10 - Equity share capital

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	20,000,000	200,000,000	20,000,000	200,000,000
	<u>20,000,000</u>	<u>200,000,000</u>	<u>20,000,000</u>	<u>200,000,000</u>
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each....	18,000,000	180,000,000	18,000,000	180,000,000
	<u>18,000,000</u>	<u>180,000,000</u>	<u>18,000,000</u>	<u>180,000,000</u>

Notes (i) to (iv) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares	₹	Number of shares	₹
Opening balance	18,000,000	180,000,000	18,000,000	180,000,000
Add: Issued during the year....	–	–	–	–
Closing balance	18,000,000	180,000,000	18,000,000	180,000,000

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Mahindra Lifespace Developers Limited, the holding company, including 6 shares jointly held with its nominees	18,000,000	18,000,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees	18,000,000	100%	18,000,000	100%

Note No. 11 - Other equity

Particulars	(Amount in ₹)	
	Retained earnings	Total
Balance as at 31 March, 2018	(161,797,849)	(161,797,849)
Profit/(Loss) for the year.....	103,626,878	103,626,878
Other comprehensive income.....	–	–
Total comprehensive income.....	103,626,878	103,626,878
Balance at 31 March, 2019.....	(58,170,971)	(58,170,971)
Profit/(Loss) for the year.....	206,659,270	206,659,270
Other comprehensive income.....	–	–
Total comprehensive income.....	206,659,270	206,659,270
Dividend paid	124,200,000	124,200,000
Balance at 31 March, 2020.....	24,288,299	24,288,299

Note No. 12 - Trade payables

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
– total outstanding dues of micro enterprises and small enterprises	–	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises.....	2,124,323	2,199,997
Total trade payables	2,124,323	2,199,997

Note:

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 13 - Other current liabilities

Particulars	(Amount in ₹)	
	As at 31st March, 2020	As at 31st March, 2019
a. Others		
Statutory remittances (withholding taxes, service tax, etc.)	15,699	740,136
b. Provision for tax	2,916,477	1,626,012
Total other current liabilities	2,932,176	2,366,148

Note No. 14 - Other Income

Particulars	(Amount in ₹)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Interest Income		
on bank deposits	7,451,040	6,988,723
on Inter Corporate Deposits	4,643,451	—
(b) Dividend Income		
Dividend income from subsidiaries	197,998,000	98,999,000
Total other Income	210,092,491	105,987,723

Note No. 15 - Employee benefits expense

Particulars	(Amount in ₹)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salary and wages (including deputation charges)	96,986	96,986
Total employee benefit expenses	96,986	96,986

Note No. 16 - Other Expenses

Particulars	(Amount in ₹)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Professional charges	283,136	579,579
(b) Stamp & Filing Fees	—	4,800
(c) Payments to auditors (including GST):		
(i) For audit	15,340	15,340
(d) Miscellaneous expenses	5,196	38,128
(e) ROC Expenses	7,336	—
(f) Annual Custody Charges- NSDL	108,751	—
Total other expenses	419,759	637,847

Note No. 17 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	(Amount in ₹)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Tax:	2,916,477	1,626,012
In respect of current year	—	—
Total income tax expense on continuing operations	2,916,477	1,626,012

Note No. 17 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)	(Amount in ₹)	
	As at 31st March, 2020	As at 31st March, 2019

Contingent liabilities

(a) Guarantee

For Subsidiary Company - Mahindra Water Utilities Limited

(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)

— Amount of Gurantee outstanding	180,000,000	180,000,000
— Maximum liability of the Company	180,000,000	180,000,000

* During the year ended 31 March, 2016, the Company had acquired 48,999 shares of Mahindra Water Utilities Limited from United Utilities International Limited @ Rs.1/- per share vide Share Purchase Agreement dated 29 April, 2015. Consequently, as per the share purchase agreement, the Company and New Tirupur Area Development Corporation Limited entered a new performance gurantee agreement. The perofomance gurantee has been increased from Rs. 90,000,000 to Rs. 180,000,000.

Note No. 18 - Earnings per share

Sr. No.	Particulars	(Amount in ₹)	
		For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Profit/(loss) for the year (₹)	206,659,270	103,626,878
(b)	Weighted average number of equity shares (No.) ...	18,000,000	18,000,000
(c)	Basic/Diluted earning per share (₹)	11.48	5.76
(d)	Nominal value per share (₹)	10	10

Note No. 19 - Segment Reporting

The company has a single reportable segment namely development of infrastructure projects and infrastructure related services in India for the purpose of Ind As 108 on segment reporting.

Note No. 20 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

Subsidiary

1	Mahindra Water Utilities Limited
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Fellow Subsidiary

1	Mahindra Construction Company Limited
2	Mahindra Bloomdale Developers Ltd.

Associate of Holding Company

1	Mahindra Knoledge Park (Mohali) Limited
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary	Fellow subsidiary	Associate
Employee benefit	31-Mar-20	–	96,986	–	–	–
	31-Mar-19	–	96,986	–	–	–
ICD given	31-Mar-20	–	–	–	191,000,000	–
	31-Mar-19	–	–	–	–	–
Interest Received	31-Mar-17	–	–	–	4,643,451	–
	31-Mar-16	–	–	–	–	–
Dividend Paid	31-Mar-20	–	124,200,000	–	–	–
	31-Mar-19	–	–	–	–	–
Dividend Income	31-Mar-20	–	–	197,998,000	–	–
	31-Mar-19	–	–	98,999,000	–	–
Payment made on behalf of related party	31-Mar-20	–	–	–	–	36,707
	31-Mar-19	–	–	–	–	63,238

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company	Subsidiary	Fellow subsidiary	Associate
Loans & advances given	31-Mar-20	–	–	–	19,62,47,529	–
	31-Mar-19	–	–	–	–	–
Receivable	31-Mar-20	–	–	–	–	158,076
	31-Mar-19	–	–	–	–	121,369
Payables	31-Mar-20	–	104,744	–	–	–
	31-Mar-19	110,924	104,744	–	–	–

Notes:

- During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
- Related parties have been identified by the Management.

Note No. 21 As the Company can continue its current operations with its own cash resources for a period of atleast one year, the accounts of the Company for the period ended 31 March, 2020 have been prepared on the basis of going concern.

Note No. 22 - Financial Instruments**[I] Capital management**

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit lossess. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(Amount in ₹)					
Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31-Mar-20						
Trade Payable	178,452	1,620,811	325,060	–	2,124,323	2,124,323
Total	178,452	1,620,811	325,060	–	2,124,323	2,124,323
31-Mar-19						
Trade Payable	254,126	1,945,871	–	–	2,199,997	2,199,997
Total	254,126	1,945,871	–	–	2,199,997	2,199,997

(iii) **Maturities of financial assets**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

						(Amount in ₹)
Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets						
31st March 2020						
Non interest rate bearing	6,637,556	—	—	—	6,637,556	6,637,556
Fixed interest rate bearing	4,914,875	—	—	—	4,914,875	4,914,875
Total	11,552,431	—	—	—	11,552,431	11,552,431
31st March 2019						
Non interest bearing.....	1,884,391	—	—	—	1,884,391	1,884,391
Fixed interest rate instruments.....	113,719,294	—	—	—	113,719,294	113,719,294
Total	25,894,038	—	—	—	25,894,038	115,603,685

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 risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) **Currency Risk**

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) **Other price risk**

The Company does not have significant other price risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note No. 23 Continues - Fair Value Measurement****Financial assets measured at fair value**

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31-Mar-20	31-Mar-19				
Financial assets						
Investments in equity instruments						
– New Tirupur Area Development Corporation Limited (NTADCL) (15,000,000 equity shares of ₹ 10 each)	–	–	Level 3		On the basis of NTADCL's own data, taking into account all information about market participant that is reasonably available.	NA
Total financial liabilities	–	–				

Note No. 24 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 24th April 2020

Santosh Gupta

Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat

Chief Executive Officer

Ulhas Bhosale

Director (DIN: 08217384)

Geeta Dhokare

Company Secretary

ACS : 51135

Suhas Kulkarni

Director (DIN: 00003936)

Place: Mumbai

Date: 24th April 2020

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

Sr. No.	Particulars	Amount in Rs.
1.	Name of the subsidiary	Mahindra Water Utilities Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	—
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	—
4.	Share capital	10,00,000
5.	Reserves & surplus	40,44,83,870
6.	Total assets	44,21,58,910
7.	Total Liabilities	3,66,75,040
8.	Investments	3,40,346
9.	Turnover	22,69,09,221
10.	Profit before taxation	9,69,92,338
11.	Provision for taxation	2,51,94,724
12.	Profit after taxation	7,17,97,614
13.	Proposed Dividend	NIL
14.	% of shareholding	98.99%

Part “B”: Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures and Associate Companies**

	Joint Venture	Associate
Name of associates/Joint Ventures	Mahindra Inframan Water Utilities Pvt Ltd.	Rathna Bhoomi Enterprises Pvt Ltd.
1. Latest audited Balance Sheet Date	31.03.2020	31.03.2020
2. Shares of Associate/Joint Ventures held by the company on the year end	50%	50%
Nos.	24,999	500
Amount of Investment in Joint Venture / Associates	249,990	5,000
Extend of Holding%	50%	50%
3. Description of how there is significant influence	Note A	Note A
4. Reason why the associate/joint venture is not consolidated		
5. Net worth attributable to shareholding as per latest audited Balance Sheet	(36,327)	(194,320)
6. Profit/Loss for the year		
i. Considered in Consolidation	–	–
ii. Not Considered in Consolidation	(76,051)	(35,873)

Note A: There is significant influence due to percentage (%) of Share Capital

1. Names of Joint ventures or associates which are yet to commence operations.

2. Names of Joint ventures or associates which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance sheet is to be certified..

In terms of our report attached

For **R Jaitalia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 24th April 2020

Santosh Gupta
Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat
Chief Executive Officer

Ujhas Bhosale
Director (DIN: 08217384)

Geeta Dhokare
Company Secretary
ACS : 51135

Suhas Kulkarni
Director (DIN: 00003936)

Place: Mumbai
Date: 24th April 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of Mahindra World City (Maharashtra) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss and cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. 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.

Other Information

4. The company's Board of Directors is responsible for the other information. The other information comprises the Board report. Our opinion on Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibility of Management for Ind AS Financial Statements

5. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.
6. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. 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.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. 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.

- b. 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 in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. 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.
 - e. 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.
11. 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.
 12. 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

13. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

14. 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, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014
- e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors.
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 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 does not have any pending litigations which would impact its financial position.
 - 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 B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Ravi Kapoor
Partner

Place: Mumbai
Date: April 20, 2020

Membership No. : 040404
UDIN: 20040404AAAAEA2070

ANNEXURE “A” TO THE AUDITOR’S REPORT**Referred to in paragraph 9 of our report of even date on the accounts of Members of Mahindra World City (Maharashtra) Limited for the year ended March 31, 2020**

- 1) The Company did not have any fixed assets during the year. Hence the provisions of the para 3(i) of the Order are not applicable.
- 2) The Company does not have inventory as on March 31, 2020. Hence the provisions of para 3(ii) of the Order are not applicable.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
- 4) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Act and the Rules framed thereunder.
- 6) We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148(1) of the Act.
- 7) i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, GST and other statutory dues applicable to it.
ii) There are no disputed dues outstanding as on March 31, 2020 on account of sales tax, customs duty, income tax, service tax, GST and cess.
- 8) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company has not raised any money through debentures.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us, the Company has not paid any remuneration to managerial personnel as defined in the Act and accordingly the provisions of para 3(xi) of the Order are not applicable to the Company.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Ravi Kapoor
Partner

Place: Mumbai
Date: April 20, 2020

Membership No. : 040404
UDIN: 20040404AAAAEA2070

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

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 Mahindra World City (Maharashtra) Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Ravi Kapoor
Partner

Place: Mumbai
Date: April 20, 2020

Membership No. : 040404
UDIN: 20040404AAAAEA2070

BALANCE SHEET AS AT YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	(Amount in ₹)	
		As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
NON-CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	119,105,594	119,105,594
SUB-TOTAL		119,105,594	119,105,594
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	196,092	381,915
(b) Other Current Assets	6	1,527,450	1,527,450
SUB-TOTAL		1,723,542	1,909,365
TOTAL ASSETS		120,829,136	121,014,959
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	7	11,704,000	11,704,000
(b) Other Equity	8	(101,792,592)	(94,876,770)
SUB-TOTAL		(90,088,592)	(83,172,770)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	9	148,760,295	139,104,000
(b) Provisions	10	18,262,329	18,262,329
SUB-TOTAL		167,022,624	157,366,329
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	11		
— total outstanding dues of micro enterprises and small enterprises		—	—
— total outstanding dues of trade payables other than micro enterprises and small enterprises		1,506,317	1,481,144
(ii) Other Financial Liabilities	12	41,709,564	44,761,119
(b) Other Current Liabilities	13	679,223	579,137
SUB-TOTAL		43,895,104	46,821,400
TOTAL		120,829,136	121,014,959

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For B. K. Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Ravi Kapoor

Partner

Membership No:040404

Ulhas Bhosale

Director

(DIN-08217384)

Suhas Kulkarni

Director

(DIN-00003936)

Place : Mumbai

Date : 20th April 2020

Place : Mumbai

Date : 20th April 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
Continuing Operations			
I Other Income.....		—	—
II Total Revenue (I)		—	—
III EXPENSES			
(a) Finance cost.....	14	6,792,223	5,791,364
(b) Other expenses.....	15	123,598	166,486
Total Expenses (III)		6,915,821	5,957,850
Profit/(loss) before exceptional items and tax (II - III)		(6,915,821)	(5,957,850)
IV Profit/(loss) before tax		(6,915,821)	(5,957,850)
V Tax Expense			
(1) Current tax.....		—	—
Total tax expense		—	—
VI Profit/(loss) after tax from continuing operations (IV-V)		(6,915,821)	(5,957,850)
VII Profit/(loss) for the period		(6,915,821)	(5,957,850)
VIII Earnings per equity share (from continuing operations):			
(1) Basic/Diluted	16	(5.91)	(5.09)

See accompanying notes forming part of the financial statements

In terms of our report attached**For B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

Ravi Kapoor

Partner

Membership No:040404

Place : Mumbai

Date : 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place : Mumbai

Date : 20th April 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	(Amount in ₹)	
		Year ended 31 st March, 2020	Year ended 31 st March, 2019
Cash flows from operating activities			
Profit before tax for the year	PL	(6,915,821)	(5,957,850)
		<u>(6,915,821)</u>	<u>(5,957,850)</u>
Movements in working capital:			
(Increase)/decrease in other assets		-	(3,120)
Decrease in trade and other payables.....		25,173	129,869
Increase/(decrease) in provisions.....		-	(114,155)
(Decrease)/increase in other liabilities		6,704,826	5,862,019
Net cash generated by operating activities.....		<u>(210,995)</u>	<u>(83,237)</u>
Net increase in cash and cash equivalents		(210,994)	(83,236)
Cash and cash equivalents at the beginning of the year		381,915	465,153
Cash and cash equivalents at the end of the year		<u>196,092</u>	<u>381,915</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For B. K. Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Ravi Kapoor

Partner

Membership No:040404

Place : Mumbai

Date : 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place : Mumbai

Date : 20th April 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

A. Equity share capital

As at 31st March, 2019	11,704,000
Changes in equity share capital during the year.....	—
As at 31st March, 2020	11,704,000

a. Equity share capital**Equity share capital
(no. of Shares)**

Balance at 31st March 2019	1,170,400
Changes in equity share capital during the year	
Issue of equity shares.....	—
Balance at 31st March 2020	1,170,400

B. Other Equity**Retained earnings**

(Amount in ₹)

Balance as 31st March, 2018	(88,918,920)
Profit/(Loss) for the year.....	(5,957,850)
Other comprehensive income.....	—
Total comprehensive income.....	(5,957,850)
Balance as at 31st March, 2019	(94,876,770)
Profit/(Loss) for the year.....	(6,915,821)
Other comprehensive income.....	—
Total comprehensive income.....	(6,915,821)
Balance as at 31st March, 2020	(101,792,591)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For B. K. Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Ravi Kapoor

Partner

Membership No:040404

Ulhas Bhosale

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place : Mumbai

Date : 20th April 2020

Place : Mumbai

Date : 20th April 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1. Corporate information

Mahindra World City (Maharashtra) Limited ("the Company") is a public company incorporated in 2005 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of Multi product SEZ in Maharashtra as a joint venture with Maharashtra Industrial Development Corporation (MIDC).

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 20th April, 2020.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Financial assets and Liabilities

2.3 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.4.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.4.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.5 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.5.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.5.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.5.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.6 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.7.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2a. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Investments

Particulars	As at 31 st March, 2020			As at 31 st March, 2019	
	Face Value (₹)	Nos.	Amount in (₹)	Nos.	Amount in (₹)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
– of associate					
Deep Mangal Developers Private Limited	10	830	117,833,100	830	117,833,100
Mahindra Construction Company Limited	10	3000	30,000	3,000	30,000
Moonshine Construction Private Limited	10	10	100	10	100
Mahindra Ugine Steel Limited	1	1	1	1	1
Rathna Bhoomi Enterprises Private Limited	10	500	5,000	500	5,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	As at 31 st March, 2020			As at 31 st March, 2019	
	Face Value (₹)	Nos.	Amount in (₹)	Nos.	Amount in (₹)
Investments in Preference shares					
– of associate					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	10	4,479	44,790	4,479	44,790
Rathna Bhoomi Enterprises Private Limited	10	119,250	1,192,500	119,250	1,192,500
Prudential Management & Services Private Limited	1	2	2	2	2
MCCL	1	1	1	1	1
			<u>119,105,594</u>		<u>119,105,594</u>

Note No. 5 - Cash and Bank Balances

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents		
(a) Balances with banks	194,543	380,366
(b) Cash on hand	1,549	1,549
Total Cash and cash equivalent	<u>196,092</u>	<u>302,778</u>

Note No. 6 - Other assets

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
	Current	Current
(a) Advances other than capital advances		
(i) Balances with government authorities (other than income taxes)	1,087,440	1,087,440
(ii) Other advances	440,010	440,010
	<u>1,527,450</u>	<u>1,527,450</u>

Note No. 7 - Equity Share Capital

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of shares	Amt ₹	No. of shares	Amt ₹
Authorised:				
Equity shares of Rs.10 each with voting rights	1,500,000	15,000,000	1,500,000	15,000,000
Equity shares of Rs.10 each with differential voting rights	–	–	–	–
Preference shares of Rs.10 each	–	–	–	–

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of shares	Amt ₹	No. of shares	Amt ₹
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	1,170,400	11,704,000	1,170,400	11,704,000
Equity shares of Rs.10 each with differential voting rights	–	–	–	–
Preference shares of Rs.10 each	–	–	–	–
Total	<u>1,170,400</u>	<u>11,704,000</u>	<u>1,170,400</u>	<u>11,704,000</u>

Note No.7a - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Other Changes (give details)	Closing Balance
Year Ended 31st March, 2020				
No. of Shares	1,170,400	–	–	1,170,400
Amount	11,704,000	–	–	11,704,000
Year Ended 31st March, 2019				
No. of Shares	1,170,400	–	–	1,170,400
Amount	11,704,000	–	–	11,704,000

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March 2020			
Mahindra Lifespace Developers Ltd.	1,170,400	–	–
As at 31st March 2019			
Mahindra Lifespace Developers Ltd.	1,170,400	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	1,170,400	100.00%	1,170,400	100.00%

Note No. 8 - Other equity

Particulars	(Amount in ₹)	
	Retained earnings	Total
Balance as at 31 March, 2018	(88,918,920)	(88,918,920)
Profit/(Loss) for the year	(5,957,850)	(5,957,850)
Other comprehensive income	-	-
Total comprehensive income	(94,876,770)	(94,876,770)
Balance at 31 March, 2019	(94,876,770)	(94,876,770)
Profit/(Loss) for the year	(6,915,822)	(6,915,822)
Other comprehensive income	-	-
Total comprehensive income	(101,792,592)	(101,792,592)
Balance at 31 March, 2020	(101,792,592)	(101,792,592)

Note No. 9 - Non-Current Borrowings

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
Measured at amortised cost		
A. Secured Borrowings:	-	-
Total Secured Borrowings	-	-
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans	74,215,000	74,215,000
(b) Loans from related parties*	72,770,295	63,114,000
(c) Other Loans		
Redeemable preference share capital	1,775,000	1,775,000
Total Unsecured Borrowings	148,760,295	139,104,000
Total Borrowings	148,760,295	139,104,000

* The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited @ 9.20% p.a

Note No. 10 - Provisions

Particulars	(Amount in ₹)			
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
	Current	Non-Current	Current	Non-Current
(a) Other Provisions				
1 Other Provisions	-	18,262,329	-	18,262,329
Total Provisions	-	18,262,329	-	18,262,329

Note No. 11 - Trade Payables

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
	Current	Current
Trade payable - total outstanding Dues of micro enterprises and small enterprises	-	-
Trade payable - total outstanding dues of trade payables other than micro enterprises and small enterprises	1,506,317	1,481,144
Total trade payables	1,506,317	1,481,144

Note No. 12 - Other Financial Liabilities

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
Other Financial Liabilities Measured at Amortised Cost		
Current		
(a) Interest accrued on borrowings	41,709,564	44,761,119
Total other financial liabilities	41,709,564	44,761,119

Note No. 13 - Other Liabilities

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
	Current	Current
(a) Statutory dues		
- taxes payable (other than income taxes)	679,223	579,137
TOTAL OTHER LIABILITIES	679,223	579,137

Note No. 14 - Finance Cost

Particulars	(Amount in ₹)	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(a) Interest expense	6,792,223	5,791,364
Total finance cost	6,792,223	5,791,364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**Note No. 15 - Other Expenses**

Particulars	(Amount in ₹)		(Amount in ₹)	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Diluted Earnings per share			(5.91)	(5.09)
From continuing operations			-	-
From discontinuing operations			-	-
Total diluted earnings per share			(5.91)	(5.09)
(a) Auditors remuneration and out-of-pocket expenses				
(i) As Auditors	34,220	38,940		
(b) Other expenses				
(i) Legal and other professional costs	83,761	122,255		
(ii) Miscellaneous expenses	5,617	5,291		
Total Other Expenses	123,598	166,486		

Note No. 16 - Earnings per Share

Particulars	(Amount in ₹)		(Amount in ₹)	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Basic Earnings per share				
From continuing operations	(5.91)	(5.09)		
From discontinuing operations	-	-		
Total basic earnings per share	(5.91)	(5.09)		
Profit/(loss) for the year attributable to owners of the Company			(6,915,821)	(5,957,850)
Less: Preference dividend and tax thereon				
Profit/(loss) for the year used in the calculation of basic earnings per share			(6,915,821)	(5,957,850)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations			-	-
Profits used in the calculation of basic earnings per share from continuing operations			(6,915,821)	(5,957,850)
Weighted average number of equity shares			1,170,400	1,170,400
Earnings per share from continuing operations - Basic			(5.91)	(5.09)

Note No. 17 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

(Amount in ₹)		
1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

Particulars	For the year ended	Ultimate Holding Company	Holding Company
<u>Nature of transactions with Related Parties</u>			
Interest on ICD	31-Mar-20	-	6,792,223
	31-Mar-19	-	
Accrue interest converted to ICD	31-Mar-20	-	9,156,295
	31-Mar-19	-	-
Inter Corporate Deposits received	31-Mar-20	-	500,000
	31-Mar-19	-	500,000
<u>Nature of Balances with Related Parties</u>	Balances as on	Ultimate Holding Company	Holding Company
Payables	31-Mar-20	-	112,520,726
	31-Mar-19	-	108,873,192

Notes:

- During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
- Related parties have been identified by the Management.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note No. 189 The accounts of the Company for the year ended 31st March, 2020 have been prepared on the basis of going concern.

Note No. 19 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:

	As at 31 st March, 2020	As at 31 st March, 2019
Debt (A)	148,760,295	138,604,000
Equity (B)	(90,088,592)	(77,214,920)
Debt Ratio (A/B)	(1.65)	(1.80)

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

	As at 31 st March, 2020			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	119,105,594	–	–	119,105,594
Current Assets				
Investments	–	–	–	–
Trade Receivables	–	–	–	–
Other Bank Balances	196,092	–	–	196,092
Non-current Liabilities				
Borrowings	148,760,295	–	–	148,760,295
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	–	–	–	–
Other Financial Liabilities	–	–	–	–
- Non Derivative Financial Liabilities	41,709,564	–	–	41,709,564

	As at 31 st March, 2019			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	119,105,594	–	–	119,105,594
Current Assets				
Investments	–	–	–	–
Trade Receivables	–	–	–	–
Other Bank Balances	381,915	–	–	381,915
Non-current Liabilities				
Borrowings	139,104,000	–	–	139,104,000
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	–	–	–	–
Other Financial Liabilities	–	–	–	–
- Non Derivative Financial Liabilities	44,761,119	–	–	44,761,119

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
31-Mar-20			
Long Term Borrowing			
Long Term Borrowing - Principal	-	-	148,760,295
Non-derivative financial liabilities			
31-Mar-19			
Long Term Borrowing			
Long Term Borrowing - Principal	-	-	139,104,000

C) 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 risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

Note No. 20 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31-Mar-20		31-Mar-19	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
– cash & cash equivalents	196,092	–	381,915	–
	<u>196,092</u>	<u>–</u>	<u>465,153</u>	<u>–</u>
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
– loans from other entities	148,760,295	–	139,104,000	–
– other financial liabilities	41,709,564	–	44,761,119	–
Total	<u>190,469,859</u>	<u>–</u>	<u>178,144,632</u>	<u>–</u>

(Amount in ₹)

Financial assets/ financial liabilities	Fair value hierarchy as at 31 st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
(i) Trade receivables	–	–	–	–
(i) Cash and cash equivalents	–	196,092	–	196,092
Total	<u>–</u>	<u>196,092</u>	<u>–</u>	<u>196,092</u>

(Amount in ₹)

Financial assets/ financial liabilities	Fair value hierarchy as at 31 st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
(i) Long term loan		148,760,295	–	148,760,295
(i) Other financial liabilities	–	41,709,564	–	41,709,564
Total	<u>–</u>	<u>190,469,859</u>	<u>–</u>	<u>190,469,859</u>

(Amount in ₹)

Financial assets/ financial liabilities	Fair value hierarchy as at 31 st March, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
(i) Cash and cash equivalents	–	381,915	–	381,915
Total	<u>–</u>	<u>381,915</u>	<u>–</u>	<u>381,915</u>
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
(i) Long term loan	–	139,104,000	–	139,104,000
(ii) Other financial liabilities	–	44,761,119	–	44,761,119
Total	<u>–</u>	<u>183,865,119</u>	<u>–</u>	<u>183,865,119</u>

Note: The Company has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

See accompanying notes forming part of the financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Ravi Kapoor
Partner
Membership No:040404

Place : Mumbai
Date : 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale
Director (DIN-08217384)

Suhas Kulkarni
Director (DIN-00003936)

Place : Mumbai
Date : 20th April 2020

Form AOC-I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014.
Statement containing salient features of financial statements of Subsidiary/Associates/Joint Ventures.

Part "A" Subsidiaries

(Amount in ₹)

Name of Subsidiary	Deep Mangal Developers Limited	Mahindra Knowledge Park (Mohali) Limited
Reporting period of the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
Share capital	100,700	130
Reserves & surplus	(3,772,052)	(12,243,177)
Total assets	26,418,552	2,666
Total Liabilities	30,089,904	12,255,005
Investments	5,010	–
Turnover	–	–
Profit/(Loss) before taxation	(737,565)	(40,367)
Provision for taxation	–	–
Profit/(Loss) after taxation	(737,565)	(40,367)
Proposed Dividend	–	–
% of shareholding	100.00%	99.97%

Notes:

1. No subsidiaries which are yet to commence operations.
2. No subsidiaries which have been liquidated or sold during the year.

See accompanying notes forming part of the financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Ravi Kapoor
Partner
Membership No:040404

Place : Mumbai
Date : 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale
Director (DIN-08217384)

Suhas Kulkarni
Director (DIN-00003936)

Place : Mumbai
Date : 20th April 2020

Part “B” Associates/ Joint Ventures

(Amount in ₹)

Name of Associates/Joint Ventures	ASSOCIATES	
	Moonshine Construction Private Limited	Rathna Bhoomi Enterprises Private Limited
Latest Audited Balance Sheet Date	31-Mar-20	31-Mar-20
Shares of Associate/Joint Venture held by the Company on the year end:		
No. of Equity shares held	20	500
Extent of Holding (%)	49.12%	50.00%
Amount of investment in Associates	100	5,000
Description of how there is significant influence	#	#
Reason why the Associate/joint venture is not consolidated	*	*
Networth attributable to Shareholding as per latest audited Balance sheet	(3,130,054)	(388,639)
Profit/(Loss) for the year:		
i) Considered in Consolidation	–	–
ii) Not Considered in Consolidation	(75,312)	(35,873)

Notes:

1. No Associates/Joint Venture which are yet to commence operations.
2. No Associates/Joint Venture which have been liquidated or sold during the year.
3. Pursuant to notification dated 27th July, 2016 issued by the Ministry of Corporate Affairs, the Company, after seeking consent of the Shareholders in writing, availed exemption for consolidation of the accounts

Significant influence due of % of share holding.

* No control based on control assessment

See accompanying notes forming part of the financial statements**For B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Ravi Kapoor

Partner
Membership No:040404

Place : Mumbai
Date : 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place : Mumbai
Date : 20th April 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KNOWLEDGE TOWNSHIP LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Knowledge Township Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of 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 Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. 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.

Other Information

The company's Board of Directors is responsible for the other information. The other information comprises the Board report. Our opinion on Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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.

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

Auditor's Responsibility

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 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.

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, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
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, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014
 - e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors.
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 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 does not have any pending litigations which would impact its financial position.
 - 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 **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

UDIN: 20040404AAAADW8747
Mumbai, April 20, 2020

Mr. Ravi Kapoor
Partner
Membership No.: 040404

ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Knowledge Township Limited for the year ended March 31, 2020

- 1) The Company does not have fixed assets. Hence, para 3(i) of the Order is not applicable to the Company.
- 2) Company's inventory comprises of Construction work in progress and no material discrepancies were noticed in the same.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
- 4) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Act and the Rules framed thereunder.
- 6) We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148(1) of the Act.
- 7)
 - i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, GST and other statutory dues applicable to it.
 - ii) There are no disputed dues outstanding as on March 31, 2020 on account of sales tax, customs duty, income tax, service tax, GST and cess.
- 8) The Company has not obtained loans or borrowing from a financial institution, bank or Government. The Company has not raised any money through debentures during the year.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us, the Company has not paid any remuneration to managerial personnel as defined in the Act and accordingly the provisions of para 3(xi) of the Order are not applicable to the Company.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

UDIN: 20040404AAAADW8747
Mumbai, April 20, 2020

Mr. Ravi Kapoor
Partner
Membership No.: 040404

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Knowledge Township Limited

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 Knowledge Township Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Mr. Ravi Kapoor
Partner
Membership No.: 040404

UDIN: 20040404AAAADW8747
Mumbai, April 20, 2020

BALANCE SHEET AS AT 31 MARCH 2020

Particulars	Note No.	(₹ in Lakhs)	
		As at 31 March 2020	As at 31 March 2019
I ASSETS			
NON-CURRENT ASSETS			
(i) Property, Plant and Equipment	3	–	0.03
(ii) Deferred Tax Assets (Net)		1.30	
SUB-TOTAL		1.30	0.03
CURRENT ASSETS			
(i) Inventories	5	3,147.30	2,519.74
(ii) Financial Assets			
(a) Investments	6	–	–
(b) Cash and Cash Equivalents	7	8.65	105.87
(c) Loans & Advances	8	12.72	12.74
(iii) Other Current Assets	9	3,207.69	3,667.32
SUB-TOTAL		6,376.36	6,305.67
TOTAL ASSETS		6,377.66	6,305.70
II EQUITY AND LIABILITIES			
1 EQUITY			
(i) Equity Share Capital	10	2,100.00	2,100.00
(ii) Other Equity	11	263.54	267.25
SUB-TOTAL		2,363.54	2,367.25
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(i) Financial Liabilities			
(a) Borrowings	12	3,008.00	2,637.00
(ii) Deferred Tax Liabilities (Net)		–	–
SUB-TOTAL		3,008.00	2,637.00
3 CURRENT LIABILITIES			
(i) Financial Liabilities			
(a) Borrowings	13	72.00	771.00
(b) Trade Payables	14		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		–	–
- Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		5.50	3.75
(c) Other Financial Liabilities	15	920.17	518.25
(ii) Current Tax Liabilities (Net)		8.45	8.46
SUB-TOTAL		1,006.12	1,301.45
TOTAL		6,377.66	6,305.70
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For and on behalf of the Board of Directors of Knowledge Township Ltd.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Sanjay Srivastava
Director
DIN-08188352

Yadunath S. Dhuri
Company Secretary

Mr. Ravi Kapoor
Partner
Membership No.: 040404

Suhas Kulkarni
Director
DIN-00003936

Ritesh A. Tilve
Chief Financial Officer

Place: Mumbai
Date: 20 April, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Note No.	(₹ in Lakhs)	
		Year ended 31 March 2020	Year ended 31 March 2019
I INCOME			
(a) Revenue from Operation		–	–
(b) Other Income	16	2.36	33.31
Total Income (a+b)		2.36	33.31
II EXPENSES			
(a) Cost of Projects.....	17	–	–
(b) Depreciation and amortisation expense	3	0.03	0.13
(b) Other expenses	18	7.34	11.38
Total Expenses (a+b).....		7.37	11.51
III Profit/(loss) before tax (I-II)		(5.01)	21.80
IV Tax Expense			
(a) Current tax.....	4	–	5.67
(b) Deferred tax.....	4	(1.30)	(2.47)
(c) Short Provision for Tax.....		–	–
Total tax expense		(1.30)	3.20
V Profit/(loss) after tax (III-IV)		(3.71)	18.60
VI Other comprehensive income.....		–	–
VII Total comprehensive income for the period (V + VI).....		(3.71)	18.60
VIII Earnings per equity share (for continuing operation):			
(a) Basic Rs. Per share.....	19	(0.02)	0.09
(b) Diluted Rs. Per share	19	(0.02)	0.09

Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Mr. Ravi Kapoor

Partner
Membership No.: 040404

Place: Mumbai
Date: 20 April, 2020

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Sanjay Srivastava

Director
DIN-08188352

Suhas Kulkarni

Director
DIN-00003936

Yadunath S. Dhuri

Company Secretary

Ritesh A. Tilve

Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Note No.	(₹ in Lakhs)	
		Year ended 31 March 2020	Year ended 31 March 2019
A Cash flows from operating activities			
Profit before tax for the year		(5.01)	21.80
Adjustments for:			
Income tax expense recognised in profit or loss		–	–
Depreciation and amortisation		0.03	0.13
		(4.98)	21.93
Movements in working capital:			
Increase in trade and other receivables		–	–
(Increase)/decrease in short term loans and advances.....		459.65	(596.47)
(Increase)/decrease in inventories		(627.56)	–
(Decrease)/increase in other liabilities		403.67	3.97
		235.76	(592.49)
Cash generated from operations.....		230.77	(570.57)
Income taxes paid.....		–	–
Net cash generated by operating activities		230.77	(570.57)
B Cash flows from investing activities			
Change in Investment (Liquid)		–	613.11
Net cash (used in)/generated by investing activities.....		–	613.11
C Cash flows from financing activities			
Proceeds from borrowings		(328.00)	–
Repayment of borrowings			
Interest paid			
Net cash used in financing activities.....		(328.00)	–
Net increase in cash and cash equivalents.....		(97.23)	42.54
Cash and cash equivalents at the beginning of the year		105.87	63.33
Cash and cash equivalents at the end of the year.....		8.65	105.87

Notes:

- (a) The above cash flow statement has been prepared under the “Indirect Method” as set out in “Indian Accounting Standards (IND AS) 7- Statement of Cash Flows
- (b) Also refer note no. 7 - Cash & Cash Equivalents

In terms of our report attached.

For and on behalf of the Board of Directors of Knowledge Township Ltd.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Sanjay Srivastava

Director
DIN-08188352

Yadunath S. Dhuri
Company Secretary

Mr. Ravi Kapoor

Partner
Membership No.: 040404

Suhas Kulkarni

Director
DIN-00003936

Ritesh A. Tilve
Chief Financial Officer

Place: Mumbai

Date: 20 April, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General Information

The company was incorporated on August 16, 2007 and is engaged in the business of development of Knowledge City in Pune, Maharashtra. Its parent and ultimate holding company is Mahindra Lifespace Developers Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

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

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

- Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet

available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.13.1 Classification of financial assets

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.13.3 **Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a

hedging instrument or a financial guarantee.

2.13.4 **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 **Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 **Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 **Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 **Compound financial instruments**

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or

loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 *Financial Liabilities subsequently measured at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 *Commitments to provide a loan at a below-market interest rate*

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2.14.2.7 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Significant accounting judgements, estimates and assumptions**3.1 Determining the timing of revenue recognition on the sale of completed and under development property**

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

3.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

Note No. 3 - Property, Plant and Equipment

(₹ in Lakhs)			
Description of Assets	Office Equipment	Furniture and Fixtures	Total
I. Gross Carrying Amount			
Balance as at 1 April 2019.....	0.52	0.63	1.14
Additions	—	—	—
Disposals	—	—	—
Balance as at 31 March 2020.....	0.52	0.63	1.14
II. Accumulated depreciation and impairment			
Balance as at 1 April 2019.....	0.52	0.60	1.11
Depreciation expense for the year.....	—	0.03	0.03
Balance as at 31 March 2020.....	0.52	0.63	1.14
III. Net carrying amount (I-II).....	—	—	—

(₹ in Lakhs)

Description of Assets	Office Equipment	Furniture and Fixtures	Total
I. Gross Carrying Amount			
Balance as at 1 April 2018.....	0.52	0.63	1.14
Additions	—	—	—
Disposals	—	—	—
Balance as at 31 March 2019.....	0.52	0.63	1.14
II. Accumulated depreciation and impairment			
Balance as at 1 April 2018.....	0.52	0.60	1.12
Depreciation expense for the year	—	—	—
Balance as at 31 March 2019.....	0.52	0.60	1.12
III. Net carrying amount (I-II)	—	0.03	0.03

Assets pledged as security and restriction on titles

As on reporting date Company had not pledged any item of PPE as security and there is no restriction on title

Impairment losses recognised in the year:

During the reporting period Company had not recognised any impairment loss on PPE

Method of Depreciations:

Depreciation on tangible fixed assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Note No. 04 - Tax**(a) Current Tax and Deferred Tax**

(₹ in Lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Current Tax:		
In respect of current year	—	5.67
In respect of earlier years	—	—
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	(1.30)	(2.47)
	(1.30)	3.20

Note No. 5 - Inventories

(₹ in Lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
(a) Work-in-progress.....	3,147.30	2,519.74
Total Inventories (at lower of cost and net realisable value).....	3,147.30	2,519.74

Note: Inventory mainly represents land and other related expenses

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Note No. 6 - Investments

Fair value of financial assets and financial liabilities that are not measured at fair value

Particular	As at 31 March 2020			As at 31 March 2019		
	QTY	Amounts*	Amounts*	QTY	Amounts*	Amounts*
		Current	Non Current		Current	Non Current
<i>I. Quoted Investments (specify whether fully paid or partly paid)</i>						
Investments in Mutual Funds	-	-	-	-	-	-
Total Aggregate Quoted Investments	-	-	-	-	-	-
INVESTMENTS CARRIED AT FVTPL [D]	-	-	-	-	-	-
TOTAL INVESTMENTS CARRIED AT FAIR VALUE [C+D]	-	-	-	-	-	-
Other disclosures						
Aggregate amount of quoted investments	-	-	-	-	-	-
Aggregate amount of Market value of investments	-	-	-	-	-	-

Note No. 7 - Cash and Bank Balances

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
(i) Balances with banks	8.65	5.87
(ii) Fixed Deposit with Bank (having maturity less than 12 month)	-	100.00
Total Cash and cash equivalent	8.65	105.87

Note No. 8 - Loans & Advances

Particulars	(₹ in Lakhs)			
	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
a) Security Deposits				
- Secured, considered good	-	-	-	-
- Unsecured, considered good ..	-	-	-	-
- Doubtful	-	-	-	-
Less: Allowance for Credit Losses	-	-	-	-
TOTAL (A)	-	-	-	-
b) Loans to related parties				
- Secured, considered good ..	-	-	-	-
- Unsecured, considered good ..	-	-	-	-
- Doubtful	-	-	-	-
Less: Allowance for Credit Losses	-	-	-	-
TOTAL (B)	-	-	-	-
a) Other Loans				
- Secured, considered good ..	-	-	-	-
- Unsecured, considered good ..	12.72	-	12.74	-
- Doubtful	-	-	-	-
Less: Allowance for Credit Losses	-	-	-	-
TOTAL	12.72	-	12.74	-

Note No. 9 - Other assets

Particulars	(₹ in Lakhs)			
	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
(a) Capital advances				
(i) Income Accrued & Due	-	-	-	3.73
(ii) Advance Payment for Income Tax	-	9.93	-	9.93
(a) Advances other than capital advances				
(i) Other advances for purchase of Land (Mainly represents advances given to Land Aggregator)	-	3,190.68	-	3,647.23
(ii) Others - Balance with Government Authorities	-	7.08	-	6.43
	-	3,207.69	-	3,667.32
Total	-	3,207.69	-	3,667.32

Note No. 10 - Equity Share Capital

Particulars	(₹ in Lakhs)			
	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of Rs 10 each with voting rights	50,000,000	5000	50,000,000	5,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	21,000,000	2100	21,000,000	2,100
	21,000,000	2100	21,000,000	2100

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Note No. 11 - Other Equity

b. Other Equity

	(₹ in Lakhs)	
	Reserves and Surplus Retained Earnings	Total
Opening Balance as on April 01, 2018.....	248.7	248.65
Profit / (Loss) for the period	18.60	18.60
Other Comprehensive Income / (Loss).....	—	—
Total Comprehensive Income for the year	18.60	18.60
Balance as at March 31, 2019	267.25	267.25
Profit / (Loss) for the period	(3.71)	(3.71)
Other Comprehensive Income / (Loss).....	—	—
Total Comprehensive Income for the year	(3.71)	(3.71)
Balance as at March 31, 2020	263.54	263.54

Note No. 12 - Non- Current Borrowings

	(₹ in Lakhs)	
Particulars	As at 31 March 2020	As at 31 March 2019
A. Unsecured Long Borrowings		
(a) Loans repayable on demand		
(1) From Banks.....	—	—
(2) Optionally Convertible Redeemable Debentures from Related Parties- Non- in total.....	3,008.00	2,637.00
Total Non-Current Borrowings.....	3,008.00	2,637.00

Note No. 13 - Current Borrowings

	(₹ in Lakhs)	
Particulars	As at 31 March 2020	As at 31 March 2019
A. Unsecured Short Term Borrowings		
(a) Loans from Related Parties		
(1) Optionally Convertible Redeemable Debentures from Related Parties.....	—	771.00
(2) Inter Corporate Deposit	72.00	—
Total Current Borrowings.....	72.00	771.00

Note No. 14 - Trade Payables

	(₹ in Lakhs)			
Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	Current	Non Current	Current	Non Current
Trade payable - Micro and small enterprises	—	—	—	—
Trade payable - Other than micro and small enterprises	5.50	—	3.75	—
Total trade payables	5.50	—	3.75	—

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Note No. 15 - Other Financial Liabilities

	(₹ in Lakhs)	
Particulars	As at 31 March 2020	As at 31 March 2019
Other Financial Liabilities Measured at Amortised Cost Current		
(a) Other liabilities		
(1) Current Maturities of Long Term - Bonds/ Debentures (other than matured)	400.00	—
(2) Interest Accrued and due on loan (from related party repayable on demand)	518.25	518.25
(3) Interest Accrued and but not due on ICD (from related party repayable on demand).....	1.93	—
Total other financial liabilities	920.17	518.25

Note No. 16 - Other Income

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost of Projects		
(a) Fixed Deposits interest Income.....	2.36	5.95
(b) Sale of Current Investments - MF- Realised	—	27.36
Total Other Income	2.36	33.31

Note No. 17 - Cost of Projects

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost of Projects		
(a) Opening Stock.....	2,519.74	2,519.74
Add:Expenses during the year		
Land	487.94	—
Rates & Taxes - Others.....	68.86	—
Liasoning /Statutory Fees.....	68.62	—
Interest Expense on ICD.....	2.14	—
(b) Sub-Total	627.56	—
(c) Closing Stock.....	3,147.30	2,519.74
Total Cost of Sales (a+b+c)	—	—

Note No. 18 - Other Expenses

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Auditors remuneration and out-of-pocket expenses	0.29	0.62
(i) As Auditors	0.29	0.62
(ii) For Other services.....	—	—
(b) Other expenses		
(i) Legal and other professional costs.....	6.92	10.69
(ii) Miscellaneous Expenses.....	0.13	0.06
Total Other Expenses.....	7.34	11.38

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Note No. 19 - Earnings per Share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit / (loss) for the year attributable to owners of the Company	(3,70,976)	18,60,370
Weighted average number of equity shares.....	2,10,00,000	2,10,00,000
Earnings per share from continuing operations - Basic	(0.02)	0.09

Note No. 20 - Financial Instruments

Capital management

The company's capital management objectives are:

- To ensure the company's ability to continue as a going concern
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of 31 March 2020 and 31 March 2019 is as follows:

	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Debt (A).....	3,480.00	3,408.00
Equity (B)	2,363.54	2,367.25
Debt Ratio (A / B).....	1.47	1.44

Categories of financial assets and financial liabilities

	As at 31 March 2020		
	Amortised Costs	FVTPL	Total
Non-current Assets			
Loans	–	–	–
Current Assets			
Loans & Advances	12.72	–	12.72
Non-current Liabilities			
Borrowings	3,008.00	–	3,008.00
Current Liabilities			
Borrowings	72.00	–	72.00
Trade Payables	5.50	–	5.50
Other Financial Liabilities			
– Non Derivative Financial Liabilities	920.17	–	920.17

As at 31 March 2019

	Amortised Costs	FVTPL	Total
Current Assets			
Loans	12.74	–	12.74
Non-current Liabilities			
Borrowings	2,637.00	–	2,637.00
Current Liabilities			
Borrowings	771.00	–	
Trade Payables	3.75	–	3.75
Other Financial Liabilities			
– Non Derivative Financial Liabilities	518.25	–	518.25

Note No. 21 - Equity Share Capital

A. Equity share capital

	(₹ in Lakhs)
As at 31 March 2019.....	2,100.00
Changes in equity share capital during the year	–
As at 31 March 2020.....	2,100.00

Note No. 22 - Related Party Transactions

Description of Relationship	Name of Related Party
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Lifespace Developers Limited
Joint Venture	Mahindra Industrial Park Private Limited (Earlier known as Industrial Cluster Private Limited)

Nature of transactions with Related Parties	For the year ended	Amount
Receiving of Services (Parent Company)	31-Mar-20	0.90
	31-Mar-19	0.70
Interest on Inter Corporate Deposit taken from Parent Company	31-Mar-20	2.14
	31-Mar-19	–

Nature of Balances with Related Parties	Balance as on	Amount
Interest Accrued on Inter Corporate Deposits from Mahindra Life Space Developers Ltd.	31-Mar-20	520.17
	31-Mar-19	518.25
Inter Corporate Deposit (ICD) from Mahindra Lifespace Developers Limited	31-Mar-20	72.00
	31-Mar-19	–
Against receiving of services from Mahindra Lifespace Developers Limited	31-Mar-20	3.92
	31-Mar-19	2.55
Unsecured Optionally Convertible Redeemable Debentures (OCRDs) from Mahindra Life Space Developers Ltd.	31-Mar-20	2,637
	31-Mar-19	2,637
Unsecured Optionally Convertible Redeemable Debentures (OCRDs)- III- from Mahindra Industrial Park Private Limited (Earlier known as Industrial Cluster Private Limited)	31-Mar-20	771
	31-Mar-19	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Note - 23 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2018 are as under:

Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006

Particulars	31-Mar-20	31-Mar-19
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	–	–
– Interest due on above	–	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–

Particulars	31-Mar-20	31-Mar-19
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note No. 24- Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 25- Comparatives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors of Knowledge Township Ltd.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Mr. Ravi Kapoor

Partner
Membership No.: 040404

Place: Mumbai

Date: 20 April, 2020

Sanjay Srivastava

Director
DIN-08188352

Suhas Kulkarni

Director
DIN-00003936

Yadunath S. Dhuri

Company Secretary

Ritesh A. Tilve

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDUSTRIAL TOWNSHIP
(MAHARASHTRA) LIMITED

Report on the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of Industrial Township (Maharashtra) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss and cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. 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.

Other Information

4. The company's Board of Directors is responsible for the other information. The other information comprises the Board report. Our opinion on Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibility of Management for Ind AS Financial Statements

5. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.
6. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. 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.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. 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.
 - b. 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 in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. 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.

- e. 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.
11. 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.
12. 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

13. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014

- e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors.
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 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 does not have any pending litigations which would impact its financial position.
 - 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 **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Mr. Ravi Kapoor
Partner
Membership No.: 040404

UDIN: 20040404AAAADX9694
Mumbai, April 20, 2020

ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Industrial Township (Maharashtra) Limited for the year ended March 31, 2020

- 1) The Company did not have any fixed assets during the year. Hence the provisions of the para 3(i) of the Order are not applicable.
- 2) Company's inventory comprises of Construction work in progress and no material discrepancies were noticed in the same.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
- 4) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Act and the Rules framed thereunder.
- 6) We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148(1) of the Act.
- 7) i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, GST and other statutory dues applicable to it.
ii) There are no disputed dues outstanding as on March 31, 2020 on account of sales tax, customs duty, income tax, service tax, GST and cess.
- 8) The Company has not obtained loans or borrowing from a financial institution, bank or Government. The Company has not raised any money through debentures.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us, the Company has not paid any remuneration to managerial personnel as defined in the Act and accordingly the provisions of para 3(xi) of the Order are not applicable to the Company.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No.: 105102W

Mr. Ravi Kapoor
Partner
Membership No.: 040404

UDIN: 20040404AAAADX9694
Mumbai, April 20, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED

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 Industrial Township (Maharashtra) Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS 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.

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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Mr. Ravi Kapoor
Partner
Membership No.: 040404

UDIN: 20040404AAAADX9694
Mumbai, April 20, 2020

BALANCE SHEET AS AT 31 MARCH 2020

		₹ in Lakhs	
		As at	As at
	Note No.	31 March 2020	31 March 2019
I ASSETS			
CURRENT ASSETS			
(i) Inventories	3	187.18	438.88
(ii) Financial Assets			
(i) Cash and Cash Equivalents	4	82.32	42.64
(iii) Current Tax Assets (Net)		2.75	2.75
SUB-TOTAL		272.25	484.27
TOTAL ASSETS		272.25	484.27
II EQUITY AND LIABILITIES			
EQUITY			
(i) Equity Share Capital	5	500.00	500.00
(ii) Other Equity	6	(230.77)	(18.18)
SUB-TOTAL		269.23	481.82
LIABILITIES			
CURRENT LIABILITIES			
(i) Financial Liabilities			
(i) Trade Payables	7		
(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		–	–
(b) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		2.99	2.40
(ii) Other Financial Liabilities	8	–	–
(ii) Other Current Liabilities	9	0.03	0.05
SUB-TOTAL		3.02	2.45
TOTAL		272.25	484.27

Significant Accounting Policies

2

The accompanying notes 1 to 15 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Mr. Ravi Kapoor
Partner
Membership No.: 040404

Suhas Kulkarni
Director
DIN-00003936

Vimal Agarwal
Director
DIN-07296320

Place: Mumbai
Date: 20th, April, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

₹ in Lakhs

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
Continuing Operations			
I INCOME			
(a) Revenue from operations		—	—
(b) Other Income		—	—
Total Income (a+b)		—	—
II EXPENSES			
(a) Cost of Projects.....	10a	211.70	—
(a) Other expenses	10b	0.89	1.47
Total Expenses		212.59	1.47
III Profit/(loss) before tax (I-II)		(212.59)	(1.47)
IV Tax Expense		—	—
V Profit/(loss) after tax (III-IV)		(212.59)	(1.47)
VI Other comprehensive income.....		—	—
VII Total comprehensive income for the period (V+VI)		(212.59)	(1.47)
VIII Total comprehensive income for the period attributable to:			
Owners of the Company.....		(212.59)	(1.47)
Non controlling interests		—	—
IX Earnings per equity share (face value of Rs. 10/- each):			
(a) Basic	11	(4.25)	(0.03)
(b) Diluted	11	(4.25)	(0.03)

The accompanying notes 1 to 15 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Mr. Ravi Kapoor
Partner
Membership No.: 040404

Suhas Kulkarni
Director
DIN-00003936

Vimal Agarwal
Director
DIN-07296320

Place: Mumbai
Date: 20th, April, 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	₹ in Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
A Cash flows from operating activities		
Profit before tax for the year	(212.59)	(1.47)
Adjustments for:		
Income tax expense recognised in profit or loss		
Movements in working capital:		
Decrease/(Increase) in Inventory	251.70	—
Decrease/(Increase) in other assets	—	—
(Decrease)/increase in other liabilities	0.57	0.22
Total changes in working capital	252.27	0.22
Cash generated from operations	39.67	(1.25)
Income taxes paid		
Net cash generated by operating activities	39.67	(1.25)
B Cash flows from investing activities		
Net cash (used in)/generated by investing activities	—	—
C Cash flows from financing activities	—	—
Net cash (used in)/generated by financing activities		
Net increase/(decrease) in cash and cash equivalents	39.67	(1.25)
Cash and cash equivalents at the beginning of the year	42.64	43.90
Cash and cash equivalents at the end of the year	82.32	42.64

Notes:

- (a) The above cash flow statement has been prepared under the “Indirect Method” as set out in “Indian Accounting Standards (IND AS) 7- Statement of Cash Flows”.
- (b) Also refer note no. 4 - Cash & Cash Equivalents

In terms of our report attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Mr. Ravi Kapoor
Partner
Membership No.: 040404

Place: Mumbai
Date: 20th, April, 2020

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Suhas Kulkarni
Director
DIN-00003936

Vimal Agarwal
Director
DIN-07296320

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. General Information

The company was incorporated on July 02, 2008 and is engaged in the business of development of Industrial Township, Maharashtra. Its parent and holding company is Mahindra Lifespace Developers Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

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

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

- Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.13.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.14.2.7 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Significant accounting judgements, estimates and assumptions

3.1 Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

3.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

Note No. 3 - Inventories

Particulars	Year ended 31 March 2020	₹ in Lakhs Year ended 31 March 2019
	187.18	438.88
(i) Work-in-progress		
Total Inventories (at lower of cost and net realisable value)	187.18	438.88

Note:

1. Work in Progress includes Land and its related expenses

2. Note:- The Cost of Projects recognised as an expense Rs. 211.70 lakhs (31st March, 2019: Nil) is in respect of write down of inventory to net realisable value. (Refer Note 10a)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note No. 4 - Cash and Bank Balances

Particulars	₹ in Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
Cash and cash equivalents		
(a) Balances with banks	82.32	42.64
Total Cash and cash equivalent	82.32	42.64

Note No. 5 - Equity Share Capital

Particulars	₹ in Lakhs			
	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	1,00,00,000	1,000	1,00,00,000	500
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	50,00,000	500	50,00,000	500
Total	50,00,000	500	50,00,000	500

(i) Reconciliation of the number of shares and the amount outstanding.

Particulars	₹ in Lakhs			
	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Balance at the Beginning and at the end of the year	50,00,000	500	50,00,000	500

Terms/rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 each p[er] share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends.

(ii) Details of shares held by the holding company and its subsidiaries

Particulars	₹ in Lakhs			
	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Mahindra Lifespaces Developers Limited (Holding Company)	50,00,000	500	50,00,000	500

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of Shares/Name of shareholder	₹ in Lakhs			
	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	50,00,000	100%	50,00,000	100%
	-	-	-	-

Note No. 6 - Other Equity

Particulars	₹ in Lakhs	
	Reserves and Surplus Retained Earnings	Total
As at 31 March 2018	(16.71)	(16.71)
Profit/(Loss) for the period	(1.47)	(1.47)
Other Comprehensive Income/(Loss)	-	-
Total Comprehensive Income for the year	(1.47)	(1.47)
As at 31 March 2019	(18.18)	(18.18)
Profit/(Loss) for the period	(212.59)	(212.59)
Other Comprehensive Income/(Loss)	-	-
Total Comprehensive Income for the year	(212.59)	(212.59)
As at 31 March 2020	(230.77)	(230.77)

Note No. 7 - Trade Payables

Particulars	₹ in Lakhs			
	Year ended 31 March 2020		Year ended 31 March 2019	
	Current	Non-Current	Current	Non-Current
Trade payable - Micro and small enterprises	-	-	-	-
Trade payable - Other than micro and small enterprises	2.99	-	2.40	-
Total trade payables	2.99	-	2.40	-

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Note No. 8 - Other Financial Liabilities

Particulars	₹ in Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
Other Financial Liabilities Measured at Amortised Cost		
Current		
Received from Land Aggregator	-	-
Total other financial liabilities	-	-

Note No. 9 - Other Liabilities

Particulars	₹ in Lakhs			
	Year ended 31 March 2020		Year ended 31 March 2019	
	Current	Non-Current	Current	Non-Current
(i) Statutory dues				
- taxes payable (other than income taxes)	0.03	-	0.05	-
TOTAL OTHER LIABILITIES	0.03	-	0.05	-

Note No. 10(a) - Cost of Projects

Particulars	₹ in Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the beginning of the year:		
Work-in-progress	438.88	438.88
	438.88	438.88
Add: Expenses incurred during the year	-	-
Less: Proceeds from Land Aggregator	(40.00)	-
Inventories at the end of the year:		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	₹ in Lakhs	
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Work-in-progress	187.18	438.88
	187.18	438.88
Total Cost of Projects	211.70	—

Note:-

- The Cost of Projects recognised as an expense Rs. 211.70 lakhs (31st March, 2019: Nil) is in respect of write down of inventory to net realisable value. (Refer note 3).
- During the current year company has received Rs. 40 Lakhs from Land Aggregator against reconveyance of Land. The same is reduced from Inventory.

Note No. 10 - Other Expenses

	₹ in Lakhs	
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(i) Auditors remuneration and out-of-pocket expenses	0.29	0.62
(i) As Auditors	0.29	0.29
(ii) For other services	—	0.33
(ii) Other expenses		
(i) Legal and Other Professional Charges	0.58	0.84
(ii) Miscellaneous Costs	0.02	0.01
Total Other Expenses	0.89	1.47

Note No. 11 - Earnings per Share

		₹ in Lakhs	
Note	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
		₹	₹
	Profit / (loss) for the year attributable to owners of the Company	(2,12,59,205)	(1,47,176)
	Weighted average number of equity shares	50,00,000	50,00,000
	Earnings per share from continuing operations - Basic & Diluted	(4.25)	(0.03)

Note - 12 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2018 are as under: Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006"

Particulars	31-Mar-20	31-Mar-19
(i) The principal amount and the interest due there on remaining unpaid to any supplier as at the end of each accounting year		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Mr. Ravi Kapoor
Partner
Membership No.: 040404

Place: Mumbai
Date: 20th, April, 2020

Particulars	31-Mar-20	31-Mar-19
— Principal amount due to micro and small enterprises	—	—
— Interest due on above	—	—
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	—	—
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	—	—

Note No. 13 - Related Party Transactions

Discription of Relationship	Name of Related Party
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Lifespace Developers Limited

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Parent Company
Nature of transactions with Related Parties		
Receiving of services	31-Mar-20	0.28
	31-Mar-19	0.18
Nature of Balances with Related Parties	Balance as on	Parent Company
Against receiveing of services	31-Mar-20	1.59
	31-Mar-19	1.27

Note - 14 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note - 15 - Comparitives

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Suhas Kulkarni
Director
DIN-00003936

Vimal Agarwal
Director
DIN-07296320

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANTHURIUM DEVELOPERS LIMITED

Report on the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of Anthurium Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its profit and cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. 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.

Other Information

4. The company's Board of Directors is responsible for the other information. The other information comprises the Board report. Our opinion on Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibility of Management for Ind AS Financial Statements

5. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.
6. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. 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.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. 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.

- b. 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 in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. 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.
 - e. 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.
11. 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.
 12. 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**
13. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
 14. 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, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014
 - e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors.
 - h) 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 Company has not paid remuneration to directors in accordance with the provisions of section 197 of the Act.
 - i) With respect to the other matters included in the Auditor's Report in accordance with Rule 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 does not have any pending litigations which would impact its financial position.
 - 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 **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No. : 105102W

Ravi Kapoor
Partner
Membership No. : 040404
UDIN: 20040404AAAADZ4150

Mumbai, April 20, 2020

ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Anthurium Developers Limited for the year ended March 31, 2020

- 1) The Company did not have any fixed assets during the year. Hence the provisions of the para 3(i) of the Order are not applicable.
- 2) The Company does not have inventory as on March 31, 2020. Hence the provisions of para 3(ii) of the Order are not applicable.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
- 4) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Act and the Rules framed thereunder.
- 6) We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148(1) of the Act.
- 7) i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, GST and other statutory dues applicable to it.
ii) There are no disputed dues outstanding as on March 31, 2020 on account of sales tax, customs duty, income tax, service tax, GST and cess.
- 8) The Company has not obtained loans or borrowing from a financial institution, bank or Government. The Company has not raised any money through debentures.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us, the Company has not paid any remuneration to managerial personnel as defined in the Act and accordingly the provisions of para 3(xi) of the Order are not applicable to the Company.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No. : 105102W

Ravi Kapoor
Partner
Membership No. : 040404
UDIN: 20040404AAAADZ4150

Mumbai, April 20, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ANTHURIUM DEVELOPERS LIMITED

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 Anthurium Developers Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No. : 105102W

Ravi Kapoor
Partner
Membership No. : 040404
UDIN: 20040404AAAADZ4150
Mumbai, April 20, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	(Amount in ₹)	
		As at 31 st March, 2020	As at 31 st March, 2019
I ASSETS			
CURRENT ASSETS			
(a) Inventories	4	–	20,000,000
(b) Financial Assets			
(i) Cash and Cash Equivalents.....	5a	304,629	344,509
(ii) Bank balances other than (ii) above	5b	2,532,839	2,558,783
(c) Other Current Assets.....	6	278,628	236,316
SUB-TOTAL.....		3,116,096	23,139,608
TOTAL ASSETS.....		3,116,096	23,139,608
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	7	500,000	500,000
(b) Other Equity	8	2,430,534	1,997,316
SUB-TOTAL.....		2,930,534	2,497,316
LIABILITIES			
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings.....	9	–	20,000,000
(ii) Trade Payables	10		
– total outstanding dues of micro enterprises and small enterprises		–	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises.....		5,640	75,924
(b) Other Current Liabilities	11	179,922	566,368
SUB-TOTAL.....		185,562	20,642,292
TOTAL.....		3,116,096	23,139,608

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

Ravi Kapoor

Partner

Membership No:040404

Place : Mumbai

Date : 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place : Mumbai

Date : 20th April 2020

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2020

		(Amount in ₹)	
Particulars	Note No.	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Continuining Operations			
I Other Income	12	634,623	817,714
II Total Revenue (I)		634,623	817,714
III EXPENSES			
(i) Other expenses.....	13	55,703	122,966
Total Expenses (III)		55,703	122,966
IV Profit/(loss) before tax (II-III)		578,920	694,748
V Tax Expense			
(i) Current tax	14	145,703	178,898
Total tax expense.....		145,703	178,898
VI Profit/(loss) for the period (IV-V)		433,218	515,850
VII Total comprehensive income for the period.....		433,218	515,850
VIII Earnings per equity share (From continuing operation):			
(i) Basic/Diluted	15	8.66	10.32

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

Ravi Kapoor

Partner

Membership No:040404

Place : Mumbai

Date : 20th April 2020**For and on behalf of the Board of Directors****Ulhas Bhosale**

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place : Mumbai

Date : 20th April 2020

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2020

Particulars	(Amount in ₹)	
	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Cash flow from operating activities		
Profit before tax for the year	578,920	694,748
Adjustments for:		
Income tax expense recognised in profit or loss	(145,703)	(178,898)
Interest income recognised in profit or loss	(171,913)	(65,314)
	261,305	450,536
Movements in working capital:		
Decrease in trade and other payables	(70,284)	13,899
(Decrease)/increase in other liabilities	(386,446)	(843,347)
Cash generated from operations		
Income taxes paid	(42,312)	77,944
Net cash generated by operating activities	(237,737)	(300,968)
Cash flows from investing activities		
Interest received	171,913	65,314
Bank balances not considered as cash and cash equivalents		
- Placed	25,944	(2,558,783)
- Matured	-	-
Net cash (used in)/generated by investing activities	197,857	(2,493,469)
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	(39,880)	(2,794,437)
Cash and cash equivalents at the beginning of the year	344,509	3,138,946
Cash and cash equivalents at the end of the year	304,629	344,509

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

Ravi Kapoor

Partner

Membership No:040404

Place : Mumbai

Date : 20th April 2020**For and on behalf of the Board of Directors****Ulhas Bhosale**

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place : Mumbai

Date : 20th April 2020

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2020

	<u>(Amount in ₹)</u>
A. Equity Share Capital	
As at 1st April, 2018	500,000
Changes in equity share capital during the year	—
As at 31 March, 2019	500,000
Changes in equity share capital during the year	—
As at 31 March, 2020	500,000
B. Other Equity	Retained earnings
	<u>(Amount in ₹)</u>
Balance as at 31st March, 2018	14,81,466
Profit/(Loss) for the year	5,15,850
Other comprehensive income	—
Total comprehensive income	5,15,850
Balance as at 31st March, 2019	19,97,316
Profit/(Loss) for the year	4,33,218
Other comprehensive income	—
Total comprehensive income	4,33,218
Balance as at 31st March, 2020	24,30,534

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Ravi Kapoor
Partner
Membership No:040404

Place : Mumbai
Date : 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale
Director (DIN-08217384)

Suhas Kulkarni
Director (DIN-00003936)

Place : Mumbai
Date : 20th April 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

1. Corporate information

Anthurium Developers Limited ("the Company") is a public company incorporated in India on 02 June, 2010 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 20th April, 2020.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to

the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 – Inventories

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(a) Others (Land)	–	20,000,000
Total Inventories		
(at lower of cost and net realisable value)	–	20,000,000

Note No. 5(a) – Cash and Bank Balances

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents		
(a) Balances with banks	304,629	344,509
Total Cash and cash equivalent	304,629	344,509

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

(b) Other bank balances

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents.....		
(a) In deposit accounts	2,532,839	2,558,783
Total Cash and cash equivalent.....	2,532,839	2,558,783

Note No. 6 – Other assets

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non-Current	Current	Non-Current
(a) Advances other than capital advances				
(i) Other advances	266,348	–	236,316	–
(ii) Interest accrued but not due on term deposit accounts.....	12,280	–	–	–
Total	278,628	–	236,316	–

Note No. 7 – Equity Share Capital

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of shares		No. of shares	
Authorised:				
Equity shares of Rs.10 each with voting rights.....	100,000	1,000,000	100,000	1,000,000
Equity shares of Rs.10 each with differential voting rights.....				
Preference shares of Rs.10 each....				
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights.....	50,000	500,000	50,000	500,000
Equity shares of Rs.10 each with differential voting rights.....				
Preference shares of Rs.10 each....				
Issued, Subscribed and Partly Paid:				
Equity shares of Rs.10 each with voting rights.....	50,000	500,000	50,000	500,000
Equity shares of Rs.10 each with differential voting rights.....				
Preference shares of Rs.10 each....				
Total	50,000	500,000	50,000	500,000

Note No. 7 (a) – Equity Share Capital continued

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	(Amount in ₹)				
	Opening Balance	Fresh Issue	Bonus	Other Changes (give details)	Closing Balance
(a) Equity Shares with Voting rights					
Year Ended 31 March 2020					
No. of Shares.....	50,000	–	–	–	50,000
Amount.....	500,000	–	–	–	500,000

Particulars	(Amount in ₹)				
	Opening Balance	Fresh Issue	Bonus	Other Changes (give details)	Closing Balance
Year Ended 31 March 2019					
No. of Shares.....	50,000	–	–	–	50,000
Amount.....	500,000	–	–	–	500,000

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March 2020			
Mahindra Lifespace Developers Ltd. the Holding Company	50,000	–	–
As at 31st March 2019			
Mahindra Lifespace Developers Ltd. the Holding Company	50,000	–	–
As at 31st March 2018			
Mahindra Lifespace Developers Ltd. the Holding Company	50,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.....	50,000	100.00%	50,000	100.00%

Note No. 8 – Other equity

Particulars	(Amount in ₹)	
	Retained earnings	Total
Balance at 31st March, 2018	1,481,466	1,481,466
Profit/(Loss) for the year.....	515,850	515,850
Other comprehensive income.....	–	–
Total comprehensive income.....	515,850	515,850
Balance at 31st March, 2019	1,997,316	1,997,316
Profit/(Loss) for the year.....	433,218	433,218
Other comprehensive income.....	–	–
Total comprehensive income.....	433,218	433,218
Balance at 31st March, 2020	2,430,534	2,430,534

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Note No. 9 – Current Borrowings

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
A. Secured Borrowings		
(a) Other Loans.....	–	20,000,000
Total Current Borrowings.....	–	20,000,000

Note No. 10 – Trade Payable

Particulars	(Amount in ₹)			
	As at 31 st March, 2020	Non- Current	As at 31 st March, 2019	Non- Current
– total outstanding Dues of micro enterprises and small enterprises ...	–	–	–	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises ...	5,640	–	75,924	–
Total trade payables	5,640	–	75,924	–

Based on the information available with the Company there are no outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date

Note No. 11 – Other Liabilities

Particulars	(Amount in ₹)			
	As at 31 st March, 2020	Non- Current	As at 31 st March, 2019	Non- Current
a. Advances received from customers	–	–	462,710	–
b. Provision for expenses.....	34,220	–	–	–
c. Provision for tax.....				
– taxes payable	145,703	–	103,658	–
TOTAL OTHER LIABILITIES	179,923	–	566,368	–

Note No. 12 – Other Income

Particulars	(Amount in ₹)	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(a) Interest Income		
(i) Interest on Bank Deposits	171,913	65,314
(b) Rental income from Investment property.....	462,710	752,400
Total Other Income	634,623	817,714

Note No. 13 – Other Expenses

Particulars	(Amount in ₹)	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	34,220	38,940
(b) Other expenses		
(i) Legal and other professional costs	14,820	71,266
(ii) Others	6,663	12,760
Total Other Expenses	55,703	122,966

Note No. 14 – Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	(Amount in ₹)	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Current Tax:		
In respect of current year	145,703	179,605
Total income tax expense on continuing operations	145,703	179,605

Note No. 15 – Earnings per Share

Note Particulars	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
	Per Share	Per Share
Basic Earnings per share		
From continuing operations.....	8.66	10.32
From discontinuing operations	–	–
Total basic earnings per share	8.66	10.32
Diluted Earnings per share		
From continuing operations.....	8.66	10.32
From discontinuing operations	–	–
Total diluted earnings per share	8.66	10.32

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Profit/(loss) for the year attributable to owners of the Company	433,218	515,850
Less: Preference dividend and tax thereon	–	–
Profit/(loss) for the year used in the calculation of basic earnings per share.....	433,218	515,850

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations		
Profits used in the calculation of basic earnings per share from continuing operations.....	433,218	515,850
Weighted average number of equity shares....	50,000	50,000
Earnings per share from continuing operations – Basic.....	8.66	10.32

Note No. 16 As the Company can continue its current operations with its own cash resources for a period of atleast one year, the accounts of the Company for the year ended 31st March, 2020 have been prepared on the basis of going concern.

Note No. 17 – Financial Instruments**Capital management**

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:

	As at 31 st March, 2020	As at 31 st March, 2019
Debt (A)	–	20,000,000
Equity (B)	2,930,534	2,497,316
Debt Ratio (A/B)	–	8.01

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

	As at 31 st March, 2020			
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash Equivalents	304,629	–	–	304,629
Other Bank Balances	2,532,839	–	–	2,532,839
Current Liabilities				
Borrowings.....	–	–	–	–
Trade Payables	5,640	–	–	5,640
	As at 31 st March, 2019			
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash Equivalents	344,509	–	–	344,509
Other Bank Balances	2,558,783	–	–	2,558,783
Current Liabilities				
Borrowings.....	20,000,000	–	–	20,000,000
Trade Payables	75,924	–	–	75,924

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

B) LIQUIDITY RISK**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
31-Mar-20			
Non-interest bearing			
Trade Payable	5,640	–	–
Long Term Borrowing			
Long Term Borrowing – Principal	–	–	20,000,000
Non-derivative financial liabilities			
31-Mar-19			
Non-interest bearing			
Trade Payable	75,924	–	–
Long Term Borrowing			
Long Term Borrowing – Principal	–	–	20,000,000

C) 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 risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Note No. 18 – Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value of financial assets and financial liabilities that are not measured at fair value

	31-Mar-20		31-Mar-19	
Particulars	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
–trade and other receivables				
–cash & cash equivalents	304,629	–	344,509	–
–Other bank balances	2,532,839	–	2,558,783	–
–Other Current Assets	278,628	–	236,316	–
	3,116,096	–	3,139,608	–
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
–loans from related parties	0	–	20,000,000	–
–trade and other payables	5,640	–	75,924	–
Total	5,640	–	20,075,924	–

(Amount in ₹)

	Fair value hierarchy as at 31 st March, 2020			
Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
(i) Cash and cash equivalents	–	304,629	–	304,629
(ii) Other bank balances	–	2,532,839	–	2,532,839
Total	–	2,837,468	–	2,837,468
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
(i) Long term loan		–		–
(ii) Trade Payable	–	75,924	–	75,924
Total	–	75,924	–	75,924

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Ravi Kapoor
Partner
Membership No:040404

Place : Mumbai
Date : 20th April 2020

(Amount in ₹)

Fair value hierarchy as at 31st March, 2019

Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
(i) Cash & cash equivalents	–	344,509	–	344,509
Total	–	344,509	–	344,509
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
(i) Long term loan		20,000,000		20,000,000
(ii) Trade Payable	–	5,640	–	5,640
Total	–	20,005,640	–	20,005,640

Note: The Group has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

19. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company	Mahindra Lifespace Developers Limited
-----------------	---------------------------------------

Related parties with whom transactions have taken place during the year

Joint venture of a Holding company	Mahindra Homes Private Limited
------------------------------------	--------------------------------

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions with Related Parties	For the year ended	Mahindra Homes Private Limited
Lease Rentals Revenue – Land	31-Mar-20	462,710
	31-Mar-19	752,400

The following table provides the balances with related parties as on the relevant date:

Nature of Balances with Related Parties	Balance as on	Mahindra Homes Private Limited
Prepaid Rent	31-Mar-20	–
	31-Mar-19	462,710
Advance / Deposits	31-Mar-20	–
	31-Mar-19	20,000,000

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

For and on behalf of the Board of Directors

Ulhas Bhosale
Director (DIN-08217384)

Suhas Kulkarni
Director (DIN-00003936)

Place : Mumbai
Date : 20th April 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA INDUSTRIAL PARK PRIVATE LIMITED.

Report on the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of **Mahindra Industrial Park Private Limited.** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss and cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. 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.

Other Information

4. The company's Board of Directors is responsible for the other information. The other information comprises the Board report. Our opinion on Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibility of Management for Ind AS Financial Statements

5. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.
6. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. 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.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. 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.

- b. 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 in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. 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.
 - e. 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.
11. 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.
 12. 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

13. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

14. 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, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014
- e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors.
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 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 does not have any pending litigations which would impact its financial position.
 - 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 B. K. Khare & Co.
Chartered Accountants
 Firm Registration No. : 105102W

Ravi Kapoor
Partner
 Membership No. : 040404
 UDIN: 20040404AAAADY5743

Mumbai, April 23, 2020

ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Mahindra Industrial Park Private Limited. for the year ended March 31, 2020

- 1) i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
- iii) The title deeds of immovable property are held in the name of the Company.
- 2) Company’s inventory comprises of raw materials and Construction work in progress and no material discrepancies were noticed in the same.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
- 4) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Act and the Rules framed thereunder.
- 6) We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148(1) of the Act.
- 7) i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, GST and other statutory dues applicable to it.
- ii) There are no disputed dues outstanding as on March 31, 2020 on account of sales tax, customs duty, income tax, service tax, GST and cess.
- 8) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government or dues of debenture holders.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us, the Company has not paid any remuneration to managerial personnel as defined in the Act and accordingly the provisions of para 3(xi) of the Order are not applicable to the Company.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants

Firm’s Registration No. : 105102W

Ravi Kapoor
Partner

Membership No. : 040404
UDIN: 20040404AAAADY5743

Mumbai, April 23, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA INDUSTRIAL PARK PRIVATE LIMITED.

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 Mahindra Industrial Park Private Limited. (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Ravi Kapoor
Partner
Membership No. 040404
UDIN: 20040404AAAADY5743

Mumbai, April 23, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31 st March, 2020	(Amount in Rs.) As at 31 st March, 2019
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	1,154,214	1,037,235
(b) Deferred Tax Assets (Net)		32,619,535	3,885,062
(c) Financial Assets			
(i) Other Deposits		4,795,455	4,795,455
(d) OCRD's to related party		84,300,000	77,100,000
SUB-TOTAL		122,869,204	86,817,752
CURRENT ASSETS			
(a) Inventories	5	1,637,669,353	1,205,431,412
(b) Financial Assets			
(i) Cash and Cash Equivalents	6a	7,640,913	27,768,398
(ii) Bank balances other than (i) above	6b	8,845,486	87,292,000
(iii) Loans to Related Party		175,500,000	—
(vi) Other Financial Assets		6,437,967	—
(c) Other Current Assets	7	31,985,116	20,935,617
SUB-TOTAL		1,868,078,835	1,341,427,428
TOTAL ASSETS		1,990,948,039	1,428,245,180
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	8	500,000	500,000
(b) Other Equity	9	(97,637,834)	(10,116,985)
SUB-TOTAL		(97,137,834)	(9,616,985)
LIABILITIES			
NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10	1,616,950,000	1,281,880,000
SUB-TOTAL		1,616,950,000	1,281,880,000
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10	175,500,000	—
(ii) Trade Payables	11	24,860,893	8,700,943
(iii) Other Financial Liabilities	13	269,838,936	146,036,186
(b) Other Current Liabilities	12	936,044	1,245,036
SUB-TOTAL		471,135,873	155,982,165
TOTAL		1,990,948,039	1,428,245,180

See accompanying notes forming part of the financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Ravi Kapoor
Partner
Membership No: 040404
Place : Mumbai
Date: 23rd April 2020

**For and on behalf of the Board
of Directors**

Sangeeta Prasad **Director** DIN-02791944

Sanjay Srivastava **Director** DIN-08188352
Place : Mumbai
Date: 23rd April 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

		(Amount in Rs.)	
Particulars	Note No.	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Continuining Operations			
I Revenue from operations		—	—
II Other Income.....		1,791,611	4,822,284
III Total Revenue (I + II)		1,791,611	4,822,284
IV EXPENSES			
(a) Employee benefit expense		5,515,899	3,303,447
(b) Depreciation and amortisation expense	4	211,363	116,094
(c) Other expenses	14	112,319,671	14,744,302
Total Expenses (IV)		118,046,933	18,163,843
V Loss before tax (III - IV)		(116,255,322)	(13,341,559)
VI Tax Expense			
Deferred tax credit.....		(28,734,473)	(3,885,062)
Total tax expense		(28,734,473)	(3,885,062)
VII Loss for the year		(87,520,849)	(9,456,497)
IX Earnings per share			
(1) Basic/ Diluted Earnings per share (Rs.).....	15	(1,750.42)	(189.13)

See accompanying notes forming part of the financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Ravi Kapoor
Partner
Membership No: 040404
Place : Mumbai
Date: 23rd April 2020

**For and on behalf of the Board
of Directors**

Sangeeta Prasad **Director** DIN-02791944

Sanjay Srivastava **Director** DIN-08188352
Place : Mumbai
Date: 23rd April 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	(Amount in Rs.)	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Cash flows from operating activities		
Loss before tax for the year	(116,255,322)	(13,341,559)
Adjustments for:		
Net (gain)/loss arising on financial assets mandatorily measured at market value through profit or loss	102,100,000	(2,658,686)
Depreciation and amortisation of non-current assets.....	211,363	116,094
	(13,943,959)	(15,884,151)
Movements in working capital:		
(Increase)/decrease in inventories.....	(438,675,908)	(127,173,077)
(Increase)/decrease in other assets	(15,092,720)	(8,266,434)
Increase/(decrease) in trade and other payables.....	16,159,950	(4,895,361)
Increase/(decrease) in provisions.....	(308,991)	(63,264)
(Increase)/decrease in other deposits.....	-	(4,795,455)
(Decrease)/increase in other liabilities	123,802,750	100,194,000
Cash generated from operations.....	(328,058,878)	(60,883,742)
Income taxes paid.....	-	-
Net cash generated by operating activities	(328,058,878)	(60,883,742)
Cash flows from investing activities		
Inter-corporate Deposit Given.....	(175,500,000)	-
Proceeds from sale of financial assets		152,428,424
Payments for property, plant and equipment	(328,342)	(1,141,757)
Net movement in bank deposits	82,489,736	(70,030,839)
Net cash (used in)/generated by investing activities	(93,338,606)	81,255,828
Cash flows from financing activities		
Proceeds from issue of Non-Convertible debentures	225,770,000	-
Loan from related parties.....	175,500,000	5,500,000
Net cash generated from financing activities	401,270,000	5,500,000
Net (decrease)/Increase in cash and cash equivalents.....	(20,127,485)	25,872,086
Cash and cash equivalents at the beginning of the year.....	27,768,398	1,896,313
Cash and cash equivalents at the end of the year.....	7,640,913	27,768,398

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Ravi Kapoor
Partner
Membership No: 040404
Place : Mumbai
Date: 23rd April 2020

**For and on behalf of the Board
of Directors**

Sangeeta Prasad **Director** DIN-02791944

Sanjay Srivastava **Director** DIN-08188352
Place : Mumbai
Date: 23rd April 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

A. Equity share capital

As at 31st March, 2018	500,000
Changes in equity share capital during the year.....	—
As at 31st March, 2019	500,000
Changes in equity share capital during the year.....	—
As at 31st March, 2020	500,000

a. Equity share capital**Equity share capital
(no. of shares)**

Balance at April 1, 2018	50,000
Changes in equity share capital during the year.....	—
Balance at March 31, 2019	50,000
Balance at April 1, 2019	50,000
Changes in equity share capital during the year.....	—
Balance at March 31, 2020	50,000
	50,000

B. Other Equity**Retained earnings
(Amount in Rs.)**

Balance as 31 March, 2018 (A)	(660,488)
Profit/(Loss) for the year (B)	(9,456,497)
Balance as at 31 March, 2019 (C) = [(A)+(B)]	(10,116,985)
Profit/(Loss) for the period (D)	(87,520,849)
Balance as at 31st March, 2020 (E) = [(C)+(D)]	(97,637,834)

In terms of our report attached

For B. K. Khare & Co.Chartered Accountants
Firm Registration No.105102W**Ravi Kapoor**

Partner

Membership No: 040404

Place : Mumbai

Date: 23rd April 2020**For and on behalf of the Board of Directors****Sangeeta Prasad****Director**

DIN-02791944

Sanjay Srivastava**Director**

DIN-08188352

Place : Mumbai

Date: 23rd April 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020

1. Corporate information

Mahindra Industrial Park Private Limited ("the Company") is a public company incorporated in India on 29th March, 2013 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of establishing, acquiring, developing and maintaining Industrial Parks, Technology Parks, Bio-tech Parks, Software Parks, Special Economic zones, Export Processing Zones, Industrial Areas, Industrial estates, Integrated Townships, Residential and/or Commercial Complexes, Housing Facility in India and outside India.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. For all periods upto and including the financial year ended 31st March, 2020

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 23rd April, 2020

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows

are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020

or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using

tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Property, Plant and Equipment

Description of Assets	Office Equipment	Furniture and Fixtures	Computer	Building - Office	Total
I. Gross Carrying Amount					
Balance as at 1 st April, 2019	32,000	181,868	87,199	853,488	1,154,555
Additions	–	–	328,342	–	328,342
Balance as at 31st March, 2020	32,000	181,868	415,541	853,488	1,482,897
II. Accumulated depreciation and impairment					
Balance as at 1 st April, 2019	1,766	10,414	10,508	94,632	117,320
Depreciation expense for the year	3,040	17,277	28,883	162,163	211,363
Balance as at 31st March, 2020	4,806	27,691	39,391	256,795	328,683
III. Net carrying amount (I-II)	27,194	154,177	376,150	596,693	1,154,214

Description of Assets	Office Equipment	Furniture and Fixtures	Computer	Building - Office	Total
I. Gross Carrying Amount					
Balance as at 1 st April, 2018	–	–	12,799	–	12,799
Additions	32,000	181,868	74,400	853,488	1,141,756
Balance as at 31st March, 2019	32,000	181,868	87,199	853,488	1,154,555
II. Accumulated depreciation and impairment					
Balance as at 1 st April, 2018	–	–	1,226	–	1,226
Depreciation expense for the year	1,766	10,414	9,282	94,632	116,094
Balance as at 31st March, 2019	1,766	10,414	10,508	94,632	117,320
III. Net carrying amount (I-II)	30,234	171,454	76,691	758,856	1,037,235

Note No. 5 - Inventories

Particulars	(Amount in Rs.)	
	As at 31 st March, 2020	As at 31 st March, 2019
(a) Work in Progress (Representing cost of land and related expenditure)	1,637,669,353	1,205,431,412
Total Inventories (at lower of cost and net realisable value)	1,637,669,353	1,205,431,412

Note No. 6 - Cash and Bank Balances

(a) Cash and cash equivalents	(Amount in Rs.)	
Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Balances with banks	7,640,913	27,768,398
Total Cash and cash equivalent	7,640,913	27,768,398
(b) Other bank balances	(Amount in Rs.)	
Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) In deposit accounts	8,845,486	87,292,000
Total other bank balances	8,845,486	87,292,000

Note No. 7 - Other assets

Particulars	(Amount in Rs.)	
	As at 31 st March, 2020	As at 31 st March, 2019
	Current	Current
(a) Advances other than capital advances		
(i) Balances with government authorities (other than income taxes)	22,886,208	15,110,446
(ii) Other advances	6,676,883	885,455
(iii) Interest accrued but not due on term deposit accounts	382,435	4,425,657
(iv) Advance Payment Of Income Tax	2,039,590	514,060
Total	31,985,116	20,935,617

Note No. 8 - Equity Share Capital

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
Authorised:				
Equity shares of Rs.10 each with voting rights	100,000	1,000,000	100,000	1,000,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	50,000	500,000	50,000	500,000
Issued, Subscribed and Partly Paid:				
Equity shares of Rs.10 each with voting rights	50,000	500,000	50,000	500,000
Total	50,000	500,000	50,000	500,000

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the Year.

Particulars	Opening Balance	Closing Balance
(a) Equity Shares with Voting rights		
Year Ended 31 st March 2020		
No. of Shares	50,000	50,000
Amount	500,000	500,000
Year Ended 31 st March 2019		
No. of Shares	50,000	50,000
Amount	500,000	500,000
Year Ended 31 st March 2018		
No. of Shares	50,000	50,000
Amount	500,000	500,000

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

Particulars	No. of Shares
	Equity Shares with Voting rights
As at 31st March 2020	
Mahindra Lifespace Developers Ltd.	50,000
As at 31st March 2019	
Mahindra Lifespace Developers Ltd.	50,000
As at 31st March 2018	
Mahindra Lifespace Developers Ltd.	50,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	50,000	100.00%	50,000	100.00%

Note No. 9 - Other equity

Particulars	(Amount in Rs.)	
	Retained earnings	Total
Balance as at 31 st March, 2018	(660,488)	(660,488)
Profit/(Loss) for the year	(9,456,497)	(9,456,497)
Balance at 31 st March, 2019	(10,116,985)	(10,116,985)
Profit/(Loss) for the year	(87,520,849)	(87,520,849)
Balance at 31 st March, 2020	(97,637,834)	(97,637,834)

Note No. 10 - Borrowings

Particulars	(Amount in Rs.)	
	As at 31 st March, 2020	As at 31 st March, 2019
Non Current		
Unsecured (Carried at Fair value through P&L)		
(a) Optionally convertible debentures	860,500,000	643,700,000
Unsecured (Carried at amortised cost)		
(a) Non convertible debentures	756,450,000	638,180,000
Total Non current borrowings	<u>1,616,950,000</u>	<u>1,281,880,000</u>
Current		
Unsecured (Carried at amortised cost)		
(a) Loans from related parties	175,500,000	—
Total Current Borrowings	<u>175,500,000</u>	<u>—</u>

Note No. 11 - Trade Payables

Particulars	(Amount in Rs.)			
	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non Current	Current	Non Current
Trade payable - Micro and small enterprises	—	—	—	—
Trade payable - Other than micro and small enterprises	24,860,893	—	8,700,943	—
Total	<u>24,860,893</u>	<u>—</u>	<u>8,700,943</u>	<u>—</u>

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

Note No. 12 - Other Liabilities

Particulars	(Amount in Rs.)			
	As at 31 st March, 2020		As at 31 st March, 2019	
	Current	Non- Current	Current	Non- Current
a. Statutory dues - taxes payable (other than income taxes)	936,044	—	1,245,036	—
TOTAL	<u>936,044</u>	<u>—</u>	<u>1,245,036</u>	<u>—</u>

Note No. 13 - Other Financial Liabilities

Particulars	(Amount in Rs.)	
	As at 31 st March, 2020	As at 31 st March, 2019
Current		
(a) Interest accrued	269,838,936	146,036,186
Total	<u>269,838,936</u>	<u>146,036,186</u>

Note No. 14 - Other Expenses

Particulars	(Amount in Rs.)	
	As at 31 st March, 2020	As at 31 st March, 2019
(a) Business Promotion Expenses	4,495,525	7,528,575
(b) Payments to auditors (including service tax):		
(i) For audit	150,000	150,000
(ii) For reimbursement of expenses	—	6,600
(c) Other expenses		
(i) Professional Fees	479,610	652,614
(ii) GST Input Reversal	3,102,295	—
(iii) Travelling & Conveyance	806,879	446,318
(iv) Miscellaneous expenses	473,151	178,940
(v) IT - Sharing Expenses & Others	554,275	117,469
(vi) Bank Charges	236	572
(vii) ESOP Charges	157,699	157,699
(viii) FVTPL loss on OCRD	102,100,000	5,500,000
(ix) Int on late payment of service tax/TDS/GST	—	5,515
Total Other Expenses	<u>112,319,671</u>	<u>14,744,302</u>

Note No. 15 - Earnings per Share

Particulars	For the period ended 31 st March, 2020	For the year ended 31 st March, 2019
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	(1,750.42)	(189.13)
From discontinuing operations	—	—
Total basic earnings per share	<u>(1,750.42)</u>	<u>(189.13)</u>
Diluted Earnings per share		
From continuing operations	(1,750.42)	(189.13)
From discontinuing operations	—	—
Total diluted earnings per share	<u>(1,750.42)</u>	<u>(189.13)</u>

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	For the period ended 31 st March, 2020	For the year ended 31 st March, 2019
Loss for the year attributable to owners of the Company	(87,520,849)	(9,456,497)
Loss for the year used in the calculation of basic earnings per share	<u>(87,520,849)</u>	<u>(9,456,497)</u>
Loss used in the calculation of basic earnings per share from continuing operations	<u>(87,520,849)</u>	<u>(9,456,497)</u>
Weighted average number of equity shares	50,000	50,000
Earnings per share from continuing operations - Basic	<u>(1,750.42)</u>	<u>(189.13)</u>

Note No. 16 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Entities having joint control/ significant influence over Company
2	Mahindra Lifespace Developers Limited	
3	Mahindra World City (Jaipur) Limited	
4	Mahindra Integrated Business Solutions Private Limited	Other related parties
5	Mahindra Bloomdale Developers Limited	

(Amount in Rs.)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra World City (Jaipur) Limited	Mahindra Bloomdale Developers Limited
Nature of transactions with Related Parties						
Deposit Received	31-Mar-20	–	175,500,000	–	–	–
	31-Mar-19	–	–	–	–	–
OCRD Issued	31-Mar-20	–	107,500,000	–	–	–
	31-Mar-19	–	–	–	–	–
Interest on ICD payable	31-Mar-20	–	14,482,650	–	–	–
	31-Mar-19	–	–	–	–	–
ESOP Expenses accounted	31-Mar-20	–	157,699	–	–	–
	31-Mar-19	–	157,699	–	–	–
Professional charges	31-Mar-20	–	8,024,000	97,940	–	–
	31-Mar-19	–	10,950,400	78,200	–	–
ICD given	31-Mar-20	–	–	–	–	175,500,000
	31-Mar-19	–	–	–	–	–
Interest on ICD receivable	31-Mar-20	–	–	–	–	6,437,967
	31-Mar-19	–	–	–	–	–
Reimbursement of expenses accounted	31-Mar-20	163,042	–	–	–	–
	31-Mar-19	231,900	153,760	–	–	–

(Amount in Rs.)

Nature of Balances with Related Parties	Balances as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra World City (Jaipur) Limited	Mahindra Bloomdale Developers Limited
Payables	31-Mar-20	6,063	196,036,081	12,420	–	–
	31-Mar-19	37,838	157,699	–	–	–
Receivables	31-Mar-20	–	169,878	–	–	181,294,170
	31-Mar-19	–	169,878	–	515,577	–

Notes:

- During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
- Related parties have been identified by the Management.

Note No. 17 - Financial Instruments
Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	(Amount in Rs.)	
	31-Mar-20	31-Mar-19
Equity	(97,137,834)	(9,616,985)
Less: Cash and cash equivalents	7,640,913	27,768,398
	<u>(104,778,748)</u>	<u>(37,385,383)</u>

Categories of financial assets and financial liabilities

	As at 31 st March, 2020		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Cash Equivalent	7,640,913	–	7,640,913
Other Bank Balances	8,845,486	–	8,845,486
Loans	175,500,000	–	175,500,000
Non-current Liabilities			
Borrowings	756,450,000	860,500,000	1,616,950,000
Current Liabilities			
Borrowings	175,500,000	–	175,500,000
Trade Payables	24,860,893	–	24,860,893
	As at 31 st March, 2019		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Cash Equivalent	27,768,398	–	27,768,398.41
Other Bank Balances	87,292,000	–	87,292,000.00
Non-current Liabilities			
Borrowings	638,180,000	643,700,000.00	1,281,880,000.00
Current Liabilities			
Trade Payables	8,700,943	–	8,700,943.10

Note No. 18 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of financial statements.

Note No. 19 - Previous Year Figures

The figures of previous years have been regrouped/reclassified wherever necessary to confirm to current year's grouping/classification.

For and on behalf of Board of the Directors

Sangeeta Prasad Director DIN-02791944

Sanjay Srivastava Director DIN-08188352

Place : Mumbai
Date: 23rd April 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Deep Mangal Developers Private Limited Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Deep Mangal Developers Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2020 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of 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 financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its Loss and cash flows 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. Our responsibilities under those Standards are further described in *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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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 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.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement 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 Responsibilities 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 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.

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 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.

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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial statements;
 - 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 **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner

Place: Mumbai
Date: 20.04.2020

Membership No. : 049818
UDIN:20049818AAAABK7513

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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 (the "Order"), and on the basis of such checks of the books and records of the Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

i. In respect of its fixed assets:

As per information provided by the Company to us, it does not have any fixed asset as on 31st March, 2020. Accordingly, paragraph 3 (i) of the Order is not applicable to the Company.

ii. In respect of its inventories:

- A) The Company is having inventory and work in progress; and it is physically verified by its management at reasonable intervals.
- B) Procedures adopted by the Company's management for physical verification of inventories are adequate and reasonable according to the size and nature of its business.

iii. Loan given by Company:

The Company has not granted secured or unsecured loans to Companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.

iv. Loan to Directors and investment by company:

The Company has not given any loans, made any investment nor issued any guarantees and securities. Hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

viii. Repayment of Loans:

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans. The Company has also not issued any debentures as at the balance sheet date.

ix. Utilisation of IPO & further public offer:

The Company has not raised any money by way of initial public offer or further public offer and no term loan was raised by the Company.

x. Reporting of Fraud:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xi. Approval of Managerial Remuneration:

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the Audit Period. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Private Placements or Preferential Issues:

The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **R. Jaitlia and Co.**
Chartered Accountants
FRN 117246W

Mukesh Maheshwari
Partner

Place: Mumbai
Date: 20.04.2020

Membership No. : 049818
UDIN:20049818AAAABK7513

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DEEP MANGAL DEVELOPERS PRIVATE LIMITED

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 **Deep Mangal Developers Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner

Place: Mumbai
Date: 20.04.2020

Membership No. : 049818
UDIN:20049818AAAABK7513

BALANCE SHEET AS AT 31ST MARCH, 2020

		(Amount in ₹)	
Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
Non-current assets			
(a) Financial Assets.....			
(i) Investments	4	5,010	5,010
Total Non-current assets (I)		5,010	5,010
Current assets			
(a) Inventories	5	25,551,561	21,459,505
(b) Financial Assets.....			
(i) Cash and Cash Equivalents	6	219,730	77,052
(c) Other Current Assets.....	7	642,251	–
Total current assets (II)		26,413,542	21,536,557
TOTAL ASSETS		26,418,552	21,541,567
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	8	100,700	100,700
(b) Other Equity.....	9	(3,772,052)	(3,034,488)
Total equity (III)		(3,671,352)	(2,933,788)
Liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	10,968,583	4,555,000
(ii) Trade payables	11		
– total outstanding dues of micro enterprises and small enterprises ...		–	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises		18,271,367	18,145,170
(iii) Other Financial Liabilities.....	12	602,779	1,713,583
(b) Other Current Liabilities	13	247,175	61,602
Total current liabilities (IV)		30,089,904	24,475,355
TOTAL		26,418,552	21,541,567

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For R Jaitalia & Co.

Chartered Accountants

Firm Registration No:117246W

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 20th April 2020**Ulhas Bhosale**

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place: Mumbai

Date: 20th April 2020

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2020

		(Amount in ₹)	
Particulars	Note No.	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
I Revenue from operations		-	-
II Other Income		-	-
III Total Revenue (I + II)		-	-
IV EXPENSES			
(a) Finance cost	14	669,758	391,010
(b) Other expenses.....	15	67,807	966,401
Total Expenses (IV)		737,565	1,357,411
Loss before tax (III-IV)		(737,565)	(1,357,411)
V Loss for the period (IV)		(737,565)	(1,357,411)
VI Other comprehensive income		-	-
VII Total comprehensive income for the period (V +VI)		(737,565)	(1,357,411)
VIII Earnings per equity share			
Basic/Diluted.....	16	(732.44)	(1,347.98)

See accompanying notes forming part of the financial statements.

In terms of our report attached.

For R Jaitalia & Co.

Chartered Accountants

Firm Registration No:117246W

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place: Mumbai

Date: 20th April 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	(Amount in ₹)	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Cash flows from operating activities		
Profit before tax for the year	(737,565)	(1,357,411)
Adjustments for:		
Movements in working capital:		
(Increase)/decrease in inventories.....	(4,092,056)	—
(Increase)/decrease in other assets	(642,251)	—
Increase in trade and other payables	126,197	—
(Decrease)/increase in other liabilities	(925,231)	1,333,825
Net cash generated by operating activities.....	6,270,905	(23,586)
Cash flows from investing activities		
Net cash (used in)/generated by investing activities	—	—
Cash flows from financing activities		
Proceeds from borrowings	6,413,583	—
Net cash used in financing activities	6,413,583	—
Net increase in cash and cash equivalents	142,678	(23,586)
Cash and cash equivalents at the beginning of the year	77,052	100,638
	219,730	77,052
Cash and cash equivalents at the end of the year	219,730	77,052

See accompanying notes forming part of the financial statements

In terms of our report attached.

For R Jaitalia & Co.

Chartered Accountants

Firm Registration No:117246W

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place: Mumbai

Date: 20th April 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**A. Equity Share Capital**

	(Amount in ₹)
As at 31st March, 2018	100,700
Changes in equity share capital during the year	—
As at 31st March, 2019	100,700
Changes in equity share capital during the year	—
As at 31st March, 2020	100,700

a. Equity share capital

	Equity share capital (no. of shares)
Balance at 31st March, 2018	1,007
Changes in equity share capital during the year	—
Issue of equity shares	—
Balance at 31st March, 2019	1,007
Changes in equity share capital during the year	—
Issue of equity shares	—
Balance at 31st March, 2020	1,007

Other equity

Particulars	Retained earnings
Balance at 31st March, 2018	(1,677,077)
Profit/(Loss) for the year.....	(1,357,411)
Other comprehensive income.....	—
Total comprehensive income	(1,357,411)
Balance at 31st March, 2019	(3,034,488)
Profit/(Loss) for the year.....	(737,565)
Other comprehensive income.....	—
Total comprehensive income	(737,565)
Balance at 31st March, 2020	(3,772,052)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For R Jaitalia & Co.

Chartered Accountants

Firm Registration No:117246W

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place: Mumbai

Date: 20th April 2020

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Deep Mangal Developers Private Limited ("the Company") is a public company incorporated in India on 25 May, 1989 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 20th April, 2020.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its

carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such

gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Investments

Particulars	Face Value (₹)	As at 31 st March, 2020		As at 31 st March, 2019	
		N0s.	Amount in ₹	Nos.	Amount in ₹
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Preference shares					
- of associate					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	10	500	5,000	500	5,000
Moonshine Construction Private Limited	10	1	10	1	10
TOTAL INVESTMENTS			5,010	5,010	

Note No. 5 - Inventories

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
a) Work-in-progress	25,551,561	21,459,505
Total Inventories (at lower of cost and net realisable value)	25,551,561	21,459,505
Statement of changes in Inventory		
Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Opening inventory (WIP)	21,459,505	21,459,505
Additions during the year:		
Survey fees	2,924,500	-
Government fees	524,000	-
Legal expenses	643,556	-
Closing Inventory (WIP)	25,551,561	21,459,505

Note No. 6 - Cash and Bank Balances

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents		
a) Balances with banks	219,730	77,052
Total Cash and cash equivalent	219,730	77,052

Note No. 7 - Other Current Assets

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
(a) GST Input Tax Credit	526,410	-
(b) GST Reverse charge	115,841	-
Total Other Current Assets	642,251	-

Note No. 8 - Equity Share Capital

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 100 each with voting rights	5,000	500,000	5,000	500,000
	5,000	500,000	5,000	500,000
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 100 each	1,007	100,700	1,007	100,700
	1,007	100,700	1,007	100,700

Notes (i) to (iv) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares	₹	Number of shares	₹
Opening balance	1,007	100,700	1,007	100,700
Add: Issued during the year	-	-	-	-
Closing balance	1,007	100,700	1,007	100,700

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Mahindra Lifespace Developers Limited, the holding company	177	177

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company,	177	17.58%	177	17.58%
Mahindra World City (Maharashtra) Limited	830	82.42%	830	82.42%

Note No. 9 - Other Equity

Particulars	(Amount in ₹)	
	Retained earnings	Total
Balance at 31 st March, 2018	(1,677,077)	(1,677,077)
Profit/(Loss) for the year	(1,357,411)	(1,357,411)
Other comprehensive income	—	—
Total comprehensive income	(1,357,411)	(1,357,411)
Balance at 31 st March, 2019	(3,034,488)	(3,034,488)
Profit/(Loss) for the year	(737,565)	(737,565)
Other comprehensive income	—	—
Total comprehensive income	(737,565)	(737,565)
Balance at 31 st March 2020	(3,772,052)	(3,772,052)

Note No. 10 - Current Borrowings

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
A. Unsecured Borrowings		
(i) Loans from related parties*	10,963,583	4,550,000
(ii) Deposits	5,000	5,000
Total Unsecured Borrowings	10,968,583	4,555,000
Total Current Borrowings	10,968,583	4,555,000

* The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited @ 9.20% p.a.

Note No. 11 - Trade Payables

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
	Current	Current
Trade payable -total outstanding Dues of micro enterprises and small enterprises	—	—
Trade payable - Other than micro and small enterprises	18,271,367	18,145,170
Total Trade Payables	18,271,367	18,145,170

Based on the information available with the Company there are no outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date

Note No. 12 - Other Financial Liabilities

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
Other Financial Liabilities Measured at Amortised Cost		
Current		
(i) Interest accrued but not due on Borrowings	602,779	1,713,583
Total other financial liabilities	602,779	1,361,675

Note No. 13 - Other Liabilities

Particulars	(Amount in ₹)	
	As at 31 st March, 2020	As at 31 st March, 2019
	Current	Current
a. Statutory dues		
— taxes payable (other than income taxes)	247,175	39,102
b. Other Current Liabilities	—	22,500
Total Other Liabilities	247,175	61,602

Note No. 14 - Finance Cost

Particulars	(Amount in ₹)	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(a) Interest expense	669,758	391,010
Total finance cost	669,758	391,010

Note No. 15 - Other Expenses

Particulars	(Amount in ₹)	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	15,340	15,340
(b) Other expenses		
(i) Legal and other professional costs	35,140	945,789
(ii) Others	17,327	5,272
Total Other Expenses	67,807	966,401

Note No. 16 - Earnings Per Share

Particulars	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(a) Net loss for the period	(737,565)	(1,357,411)
(b) Nominal value per share	10	10
(c) Weighted average number of equity shares (No.)	1,007	1,007
(d) Basic/Diluted earning per share	(732.44)	(1,347.98)

Note No. 17 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

Particulars	For the year ended	Ultimate Holding Company	Holding Company
Nature of transactions with Related Parties			
Inter Corporate Deposits received	31-Mar-20	–	6,413,583
	31-Mar-19	–	1,000,000
Interest on ICD	31-Mar-20	–	669,758
	31-Mar-19	–	391,010

Particulars	Balances as on	Ultimate Holding Company	Holding Company
Nature of Balances with Related Parties			
Payables (ICD and Interest on ICD)	31-Mar-20	–	11,566,362
	31-Mar-19	–	6,263,583
Other payables	31-Mar-20	–	18,059,592
	31-Mar-19	–	18,059,592

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.

2. Related parties have been identified by the Management.

Note No. 18

The accounts of the Company for the year ended 31st March, 2020 have been prepared on the basis of going concern.

	(Amount in ₹)					
Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31st March, 2020						
Other financial liabilities	602,779	–	–	–	602,779	602,779
Total	602,779	–	–	–	602,779	602,779
31st March, 2019						
Other financial liabilities	351,908	1,361,675	–	–	1,713,583	1,713,583
Total	351,908	1,361,675	–	–	1,713,583	1,713,583

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

						(Amount in ₹)
Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial assets						
31st March, 2020						
Non interest rate bearing	219,730	–	–	–	219,730	219,730
Fixed interest rate bearing	–	–	–	–	–	–
Total	219,730	–	–	–	219,730	219,730
31st March, 2019						
Non interest rate bearing	77,052	–	–	–	77,052	77,052
Fixed interest rate bearing	–	–	–	–	–	–
Total	77,052	–	–	–	77,052	77,052

Note No. 19 - Financial Instruments**[I] Capital management**

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

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 risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 20 - Fair Value Measurement**Fair Valuation Techniques and Inputs used**

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted interval

- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs:

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(Amount in ₹)				
Financial assets/financial liabilities	Fair value hierarchy as at 31 st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
(i) Cash and cash equivalents	-	219,730	-	219,730
(ii) Other financial assets	-	5,010	-	5,010
Total	-	224,740	-	224,740
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
(i) Borrowings	-	10,968,583	-	10,968,583
(ii) Trade payables	-	18,271,367	-	18,271,367
(iii) Other Financial Liabilities	-	602,779	-	602,779
Total	-	29,842,729	-	29,842,729

(Amount in ₹)				
Financial assets/financial liabilities	Fair value hierarchy as at 31 st March, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
(i) Cash and cash equivalents	-	77,052	-	100,638
(ii) Other financial assets	-	5,010	-	5,010
Total	-	82,062	-	105,648
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
(i) Borrowings	-	4,555,000	-	4,555,000
(ii) Trade payables	-	18,145,170	-	18,145,170
(iii) Other Financial Liabilities	-	1,713,583	-	1,713,583
Total	-	24,413,753	-	24,413,753

In terms of our report attached.

For R Jaitalia & Co.

Chartered Accountants

Firm Registration No:117246W

Mukesh Maheshwari

Partner

Membership No:49818

Place: Mumbai

Date: 20th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Suhas Kulkarni

Director (DIN-00003936)

Place: Mumbai

Date: 20th April 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MAHINDRA WATER UTILITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Mahindra Water Utilities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including 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.

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 report of Board of Directors, but does not include the financial statements and our auditor's report thereon.
- 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 and, in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 financial statement 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.

Those 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 financial control 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 the 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 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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, 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.
 - 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.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner

Membership No. 100459

Place: Mumbai

Date: April 24, 2020

Report on Internal Controls Over Financial Reporting

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Mahindra Water Utilities Limited on the financial statements for the year ended March 31, 2020)

Report on the Internal Financial Controls Over Financial Reporting 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 **Mahindra Water Utilities Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS 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 respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective 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 Deloitte Haskins & Sells
Chartered Accountants
(Firm’s Registration No. 117364W)

Ketan Vora
Partner

Place: Mumbai
Date: April 24, 2020

Membership No. 100459

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Mahindra Water Utilities Limited on the financial statements for the year ended March 31, 2020)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 or 186 of the Act in respect

of grant of loans, making investments and providing guarantees and securities, as applicable.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company’s business/ activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, Goods and Services Tax and other material statutory dues in arrears, as at March 31, 2020 for a period of more than six months from the date they became payable. We have been informed that the provisions of Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Cess are not applicable to the Company for the year.
 - (c) Details of dues of Income-tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income tax and interest, penalties	Income Tax Appellate Tribunal	FY 2006 – 07	17,13,827	8,56,910
		Assistant Commissioner of Income Tax	FY 2006 – 07	7,58,121	7,58,121
		Assistant Commissioner of Income Tax	FY 2007 – 08	26,88,930	26,88,930
		Appellate Authority – Asst. Commissioner (CPC)	FY 2009 – 10	1,12,220	1,12,220
		Appellate Authority – Asst. Commissioner (CPC)	FY 2012 – 13	5,98,430	5,98,430
		Appellate Authority – Assessing Officer Jurisdictional AO Circle 7(2)(1)	FY 2013 – 14	48,040	48,040
			FY 2017 – 18	47,230	47,230

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government nor has issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge 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) According to the information and explanations given to us, the Company has not paid/provided any managerial remuneration as per the provisions of Section 197 read with Schedule V to the Act and hence, reporting under clause (xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner
Membership No. 100459

Place: Mumbai
Date: April 24, 2020

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	4	88,88,199	91,51,010
(b) Financial Assets			
(i) Trade receivables	5	–	1,63,92,470
(ii) Loans	10	16,75,00,000	–
(iii) Other Financial assets	6	10,80,177	9,03,050
(c) Deferred tax assets (net)	25	41,15,504	59,62,280
(d) Other non-current assets	7	1,96,91,348	1,94,53,727
Total Non - Current Assets		20,12,75,228	5,18,62,537
2 Current assets			
(a) Financials Assets			
(i) Investments	8	3,40,346	3,24,308
(ii) Trade receivables	5	2,54,29,443	15,09,53,894
(iii) Cash and cash equivalents	9	8,54,99,458	4,44,01,441
(iv) Bank Balances other than (iii) above	9	11,98,78,854	31,04,79,571
(v) Loans	10	–	3,50,00,000
(vi) Other financial assets	6	87,86,125	1,52,00,019
(b) Other Current Assets	7	9,49,456	6,24,368
Total Current Assets		24,08,83,682	55,69,83,601
Total Assets		44,21,58,910	60,88,46,138
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	11	10,00,000	10,00,000
(b) Other Equity	12	40,44,83,870	57,39,48,319
Total equity		40,54,83,870	57,49,48,319
LIABILITIES			
2 Non-current liabilities			
Provisions	18	2,77,692	–
Total Non - Current Liabilities		2,77,692	–
3 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables			
– total outstanding dues of micro enterprises; and small enterprises and	13	2,939	–
– total outstanding dues of creditors other than and micro enterprises and small enterprises	13	76,30,174	53,45,605
(ii) Other financial liabilities	14	74,54,939	86,26,364
(b) Other current liabilities	15	27,34,254	28,44,920
(c) Provisions	16	90,29,101	75,34,989
(d) Current Tax liabilities (net)	17	95,45,941	95,45,941
Total Current Liabilities		3,63,97,348	3,38,97,819
Total Equity and Liabilities		44,21,58,910	60,88,46,138
See accompanying notes to the financial statements	1-41		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 24, 2020

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

T. Govindarajan Chief Financial Officer

Place: Mumbai
Date : April 24, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	For the year ended March 31, 2020 Rupees	For the year ended March 31, 2019 Rupees
I. Revenue from operations	19	19,33,69,513	19,42,61,494
II. Other Income	20	3,35,39,708	4,22,12,903
III. Total Income (I + II)		22,69,09,221	23,64,74,397
IV. EXPENSES			
(a) Employee benefits expense	21	6,82,55,848	6,60,18,313
(b) Finance costs	22	24,004	46,695
(c) Depreciation	4	21,86,527	22,37,232
(d) Other expenses	23	5,94,50,504	5,89,33,347
Total Expenses (IV)		12,99,16,883	12,72,35,587
V. Profit before tax (III - IV)		9,69,92,338	10,92,38,810
VI. Tax Expense			
(i) Current tax	25	2,32,97,000	2,57,66,000
(ii) Deferred tax		18,97,724	47,45,442
Total tax expense (VI)		2,51,94,724	3,05,11,442
VII. Profit for the year (V - VI)		7,17,97,614	7,87,27,368
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities/(asset)		(2,02,410)	10,353
Tax relating to items that will not be reclassified to profit or loss		50,947	(2,858)
		(1,51,463)	7,495
IX. Total comprehensive income for the year (VII + VIII)		7,16,46,151	7,87,34,863
X. Earnings per equity share : (Face Value of Rs. 10 each)	26		
(i) Basic		717.98	787.27
(ii) Diluted		717.98	787.27
See accompanying notes to the financial statements	1-41		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 24, 2020

For and on behalf of the Board of Directors

S. Venkatraman Director
Srinath Ramamurthy Director
T. Govindarajan Chief Financial Officer

Place: Mumbai
Date : April 24, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before tax		9,69,92,338		10,92,38,810
Adjustments for:				
Depreciation and amortisation expense	21,86,527		22,37,232	
Gain on disposal of property, plant and equipment	(1,47,032)		(1,59,189)	
Finance Cost	24,004		46,695	
Provision for doubtful trade receivables written off/ (written back)	(72,96,243)		(1,82,20,480)	
Dividend Income	(16,038)		(14,267)	
Interest Income from loan to related party	(68,18,188)		(28,43,013)	
Interest Income from Bank	(1,92,16,975)	(3,12,83,945)	(2,08,22,455)	(3,97,75,477)
Operating Profit before Working Capital changes		6,57,08,393		6,94,63,333
Movements in working capital				
Decrease in Trade receivables	14,92,13,164		12,59,75,767	
(Increase)/ Decrease in Loan and advances, Other Financial assets and Other assets	9,978		(4,57,419)	
Increase/(Decrease) Trade payables, Provisions, Other financial liabilities and other liabilities	25,74,810	15,17,97,952	(9,82,313)	12,45,36,035
Cash generated from operations		21,75,06,345		19,39,99,368
Income-tax paid (net of refunds)		(2,40,46,814)		(2,82,21,683)
NET CASH GENERATED FROM OPERATING ACTIVITIES		19,34,59,531		16,57,77,685
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	(19,23,716)		(64,59,960)	
Proceeds from sale of property, plant and equipment	1,47,032		2,13,799	
Interest received - Fixed Deposits at Bank	2,68,91,148		1,19,44,663	
Interest received - Loan to related party	55,57,909		28,16,013	
Loan given to related party	(16,75,00,000)		(3,50,00,000)	
Loan repaid by related party	3,50,00,000		15,00,00,000	
Increase in other bank balances	19,06,00,717		(21,00,35,360)	
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		8,87,73,090		(8,65,20,845)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Rupees	Rupees	Rupees	Rupees
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Finance costs paid	(24,004)		(46,695)	
Dividend paid with dividend distribution tax	(24,11,10,600)		(12,05,55,294)	
NET CASH USED IN FINANCING ACTIVITIES		(24,11,34,604)		(12,06,01,989)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		4,10,98,017		(4,13,45,149)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		4,44,01,441		8,57,46,590
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		8,54,99,458		4,44,01,441

Particulars	April 1, 2019	Cash Flow	Non Cash Changes	March 31, 2020
Borrowing - Non Current	-	-	-	-
Borrowing - Current	-	-	-	-
Total	-	-	-	-

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (IND AS) 7 'Cash Flow Statement'.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 24, 2020

For and on behalf of the Board of Directors

S. Venkatraman Director
Srinath Ramamurthy Director
T. Govindarajan Chief Financial Officer

Place: Mumbai
Date : April 24, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**A. Equity share capital**

	Rupees
As at March 31, 2018	10,00,000
Changes in equity share capital during the year	–
As at March 31, 2019	10,00,000
Changes in equity share capital during the year	–
As at March 31, 2020	10,00,000

B. Other Equity

Particulars	Reserves and Surplus		
	Retained earnings	Items of other comprehensive income - Remeasurements of the defined benefit liabilities/ (asset)	Total
	Rupees	Rupees	Rupees
Balance at March 31, 2018	61,69,78,316	(12,09,566)	61,57,68,750
Profit for the year	7,87,27,368	–	7,87,27,368
Dividend paid during the year	(10,00,00,000)	–	(10,00,00,000)
Dividend Distribution Tax	(2,05,55,294)	–	(2,05,55,294)
Other Comprehensive Income/(Loss) for the year (net of tax)	–	7,495	7,495
Total Comprehensive Income for the year	(4,18,27,926)	7,495	(4,18,20,431)
Balance at March 31, 2019	57,51,50,390	(12,02,071)	57,39,48,319
Profit for the year	7,17,97,614	–	7,17,97,614
Dividend paid during the year	(20,00,00,000)	–	(20,00,00,000)
Dividend Distribution Tax	(4,11,10,600)	–	(4,11,10,600)
Other Comprehensive Income/(Loss) for the year (net of tax)	–	(1,51,463)	(1,51,463)
Total Comprehensive Income for the year	(16,93,12,986)	(1,51,463)	(16,94,64,449)
Balance at March 31, 2020	40,58,37,404	(13,53,534)	40,44,83,870

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 24, 2020

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

T. Govindarajan Chief Financial Officer

Place: Mumbai
Date : April 24, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 1. Corporate information:

Mahindra Water Utilities Limited (the Company) is a public company incorporated in India on August 10, 1999 under the provisions of Companies Act, 1956. The Company is engaged in operation & maintenance of water and sewage system for M/s. New Tirupur Area Development Corporation Limited, Tirupur. The Company is a subsidiary of Mahindra Infrastructure Developers Limited and the ultimate holding company is Mahindra and Mahindra Limited.

Note 2. Significant accounting policies:

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Property, Plant and Equipment:

Property, Plant and Equipment held for use in supply of services or for administrative purposes, are stated in the Balance Sheet at cost less depreciation and accumulated impairment losses, if any. Costs comprise purchase price and attributable costs, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives as determined by the Management, using the straight-line method. Estimated useful life as determined by the Management is in line with that prescribed in Schedule II to the Companies Act 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing individually less than Rs. 5,000 is fully depreciated in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4 Impairment of tangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable.

- i) Income for services is accounted for as and when services are rendered as per terms of the agreement at the contractual rate and there exists no significant uncertainty as to ultimate realisation.
- ii) Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.
- iii) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.7 Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the Statement of Profit and Loss except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax are also recognised in Other Comprehensive Income.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Investments in units of Mutual Funds are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Note 3 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

At the end of the reporting period, there were no key assumptions concerning the future period that may have had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 4 - Property, Plant and Equipment

Description of Assets	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
I. Gross carrying amount					
Balance as at March 31, 2018	26,98,640	3,99,260	4,92,264	35,85,256	71,75,420
Additions during the year ended March 31, 2019	27,68,509	1,86,398	2,88,113	32,16,940	64,59,960
Disposals of Assets during the year ended March 31, 2019	19,51,799	1,48,124	–	10,51,400	31,51,323
Balance as at March 31, 2019	35,15,350	4,37,534	7,80,377	57,50,796	1,04,84,057
Additions during the year ended March 31, 2020	1,23,244	2,21,774	31,760	15,46,938	19,23,716
Disposal of assets during the year ended March 31, 2020	–	35,500	–	8,67,708	9,03,208
Balance as at March 31, 2020	36,38,594	6,23,808	8,12,137	64,30,026	1,15,04,565
II. Accumulated depreciation					
Balance as at March 31, 2018	10,81,054	1,96,495	3,53,166	5,61,813	21,92,528
Depreciation for the year	13,33,160	96,735	1,20,576	6,86,761	22,37,232
Eliminated on disposals of Assets during the year ended March 31, 2019	18,97,189	1,48,124	–	10,51,400	30,96,713
Balance as at March 31, 2019	5,17,025	1,45,106	4,73,742	1,97,174	13,33,047
Depreciation for the year	10,75,870	1,16,394	36,462	9,57,801	21,86,527
Eliminated on Disposal of assets during the year ended March 31, 2020	–	35,500	–	8,67,708	9,03,208
Balance as at March 31, 2020	15,92,895	2,26,000	5,10,204	2,87,267	26,16,366
Net carrying amount (I-II)					
Balance as at March 31, 2020	20,45,699	3,97,808	3,01,933	61,42,759	88,88,199
Balance as at March 31, 2019	29,98,325	2,92,428	3,06,635	55,53,622	91,51,010

Note 5 - Trade receivables

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current Rupees	Non Current Rupees	Current Rupees	Non Current Rupees
(a) Trade Receivables considered good - Unsecured;	2,54,29,443	–	15,09,53,894	1,63,92,470
(b) Trade Receivables - Credit impaired	–	59,01,592	–	1,31,97,835
Less: Allowances for Expected Credit Losses	–	(59,01,592)	–	(1,31,97,835)
Total	2,54,29,443	–	15,09,53,894	1,63,92,470

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Trade receivables

The entire trade receivables balance as at March 31, 2020 and March 31, 2019 are due from M/s. New Tirupur Area Development Corporation Ltd., the sole client of the Company.

The average credit period on invoice for services is 15 days. No interest is charged on trade receivables.

The concentration of credit risk is high, since the entire trade receivables are due from only one client, M/s. New Tirupur Area Development Corporation Ltd.

The Company has incurred expenses towards certain specified categories of maintenance of plant and facilities. As per the terms of the aforementioned agreement with NTADCL, the Company is entitled to reimbursement of the aforesaid expenses, which the Company has also claimed from NTADCL. The Company has not formally received a confirmation on the payment due for such reimbursable services.

Based on further negotiations/ discussions with NTADCL, the company is confident of receiving these payments and hence no further provision has been done in the current year.

Note 6 - Other Financial Assets

Particulars

	As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current
	Rupees	Rupees	Rupees	Rupees
Financial assets at amortised cost				
(a) Interest accrued on deposits with bank	71,07,785	–	1,47,81,958	–
(b) Interest accrued on Loan to Related Party	14,58,340	–	1,98,061	–
(c) Balance with bank held as margin money	–	10,51,177	–	8,74,050
(d) Security deposits	2,20,000	29,000	2,20,000	29,000
Total	87,86,125	10,80,177	1,52,00,019	9,03,050

Note 7 - Other assets

Particulars

	As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current
	Rupees	Rupees	Rupees	Rupees
Advance income tax including fringe benefit tax	–	1,96,91,348	–	1,89,41,534
Others				
(a) Gratuity Assets (Net of provision)	–	–	–	5,12,193
(b) Advance to Suppliers	3,811	–	–	–
(c) Prepaid Expenses	9,45,645	–	6,24,368	–
Total	9,49,456	1,96,91,348	6,24,368	1,94,53,727

Note 8 - Investment

Particulars

	As at March 31, 2020		As at March 31, 2019	
	No. of units	Rupees	No. of units	Rupees
Investments Carried at: Fair Value Through Profit and Loss				
Unquoted Investments				
Investments in Mutual Funds				
HDFC Cash Management Fund of Rs. 10/-each fully paid up	33,555.491	3,40,346	31,974.208	3,24,308
Total	33,555.491	3,40,346	31,974.208	3,24,308

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 9 - Cash and Bank Balances

Particulars	As at March 31, 2020	As at March 31, 2019
	Rupees	Rupees
(a) Balance with Banks		
(i) In Current Account	19,09,458	18,76,441
(ii) In Deposit Account	8,35,90,000	4,25,25,000
	8,54,99,458	4,44,01,441
(b) Bank Balances other than above		
Balance with Banks		
Fixed Deposits with maturity greater than 3 months (includes Rs. 16,50,000 (Previous Year Rs. NIL) held as earnest money deposit)	11,98,78,854	31,04,79,571
	11,98,78,854	31,04,79,571
	20,53,78,312	35,48,81,012

Note 10 - Loans

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current Rupees	Non Current Rupees	Current Rupees	Non Current Rupees
Loans Receivables considered good - Unsecured				
Loan to related party	–	16,75,00,000	3,50,00,000	–
Total	–	16,75,00,000	3,50,00,000	–

Note - 11 Equity Share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos	Rupees	Nos	Rupees
Authorised shares:				
Equity Shares of Rs. 10 each	1,00,000	10,00,000	1,00,000	10,00,000
	1,00,000	10,00,000	1,00,000	10,00,000
Issued, subscribed and fully paid-up shares:				
Equity Shares of Rs. 10 each	1,00,000	10,00,000	1,00,000	10,00,000
	1,00,000	10,00,000	1,00,000	10,00,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity:	As at March 31, 2020		As at March 31, 2019	
	Nos	Rupees	Nos	Rupees
Opening Balance	1,00,000	10,00,000	1,00,000	10,00,000
Closing Balance	1,00,000	10,00,000	1,00,000	10,00,000

Terms/rights attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by the holding company:

Particulars	As at March 31, 2020	As at March 31, 2019
	Number of shares	Number of shares
Mahindra Infrastructure Developers Limited, the holding company	98,999	98,999

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
Mahindra Infrastructure Developers Limited	98,999	99%	98,999	99%

Note 12 - Other Equity

Particulars	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
Retained Earnings		
As per last balance sheet	57,39,48,319	61,57,68,750
Add: Profit for the year	7,17,97,614	7,87,27,368
Dividend paid during the year	(20,00,00,000)	(10,00,00,000)
Dividend Distribution Tax	(4,11,10,600)	(2,05,55,294)
Other Comprehensive Income/(Loss) for the year (net of tax)	(1,51,463)	7,495
Balance As at March 31, 2020	40,44,83,870	57,39,48,319

Retained Earnings represent the cumulative profits of the Company and the effects of remeasurement of defined benefit obligations. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Note - 13 Trade Payables

Particulars	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
Total outstanding dues of Micro and Small enterprises	2,939	–
Total outstanding dues of creditors other than micro and small enterprises	76,30,174	53,45,605
Total	76,33,113	53,45,605

Note:

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Average credit period on purchase of certain goods from suppliers is one month. No interest is charged on the outstanding balance.

Note - 14 Other financial Liabilities

Particulars	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
Loans Receivables considered good - Secured		
(a) Payable to employees	70,86,364	83,71,364
(b) Deposits received from Service providers	2,55,000	2,55,000
(c) Retention Money	1,13,575	–
Total	74,54,939	86,26,364

Note:

Payable to employees represents amounts payable towards Salary, performance pay and bonus.

Deposits received from Service providers are security deposits received from the service providers as a security towards non-performance of their contract obligations, if any.

Retention Money received on 10% of actual final value of work executed, which is for six months from the date of completion of entire scope of work, this will be considered as Defects Liability period. On successful completion of DLP without any defects, the retention money shall be released.

Note - 15 Other Current Liabilities

Particulars	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
(a) Statutory Dues - Taxes payable (other than income taxes)	27,14,534	28,09,712
(b) Interest payable u/s 234B of the Income Tax Act	19,720	35,208
Total	27,34,254	28,44,920

Note - 16 Provisions

Particulars	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
Provision for employee benefits		
Compensated absences	90,29,101	75,34,989
Total	90,29,101	75,34,989

Note - 17 Current Tax Liabilities (net)

Particulars	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
Provision for tax (net of advance tax)	95,45,941	95,45,941
Total	95,45,941	95,45,941

Note - 18 Provisions

Particulars	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
Provisions for Gratuity	2,77,692	–
Total	2,77,692	–

Note - 19 Revenue from Operations

Particulars	For the Year ended March 31, 2020 Rupees	For the Year ended March 31, 2019 Rupees
(a) Revenue from rendering of services	18,63,00,000	18,63,00,000
(b) Revenue from ancillary services	70,69,513	79,61,494
Total	19,33,69,513	19,42,61,494

Note - 20 Other Income

Particulars	For the Year ended March 31, 2020 Rupees	For the Year ended March 31, 2019 Rupees
(a) Interest Income on financial assets carried at amortised cost		
(i) Bank deposits	1,92,16,975	2,08,22,455
(ii) Loan to related party	68,18,188	28,43,013
(b) Dividend Income	16,038	14,267
(c) Provision for doubtful debts written back	72,96,243	1,82,20,480
(d) Gain on Sale of Property, plant and equipment	1,47,032	1,59,189

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the Year ended March 31, 2020 Rupees	For the Year ended March 31, 2019 Rupees
(e) Interest on Income Tax Refund	-	79,970
(f) Miscellaneous Income	45,232	73,529
Total	3,35,39,708	4,22,12,903

Note - 21 Employee Benefits Expenses

Particulars	For the Year ended March 31, 2020 Rupees	For the Year ended March 31, 2019 Rupees
(a) Salaries and wages	6,28,24,122	6,08,04,605
(b) Contribution to provident and other funds (See below Note)	34,13,842	27,99,819
(c) Staff welfare expenses	20,17,884	24,13,889
Total	6,82,55,848	6,60,18,313

Note:

Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service/employment.

Contribution to provident fund and other funds includes contributions to Provident Fund, ESI, Labour Welfare Fund and gratuity fund with LIC.

Note - 22 Finance Cost

Particulars	For the Year ended March 31, 2020 Rupees	For the Year ended March 31, 2019 Rupees
Interest expense - interest on delayed/deferred payment of income tax	24,004	46,695
Total	24,004	46,695

Note - 23 Other Expenses

Particulars	For the Year ended March 31, 2020 Rupees	For the Year ended March 31, 2019 Rupees
(a) Rent including lease rentals	3,30,000	3,30,000
(b) Rates and taxes	2,83,319	68,000
(c) Insurance	14,99,590	7,64,767
(d) Repairs and maintenance - Machinery	11,45,006	13,55,008
(e) Repairs and maintenance - Others	13,93,315	16,35,463
(f) Legal and professional charges	5,77,297	13,96,732
(g) Travelling and Conveyance Expenses	9,38,882	8,19,173
(h) Printing & Stationery	4,16,370	5,27,710
(i) Postage and telephone	7,19,683	8,95,422
(j) Subcontracting, Hire and Service Charges	3,82,64,192	3,70,56,466
(k) Expenditure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013.	22,73,187	18,11,028
(l) Vehicle running expenses	75,38,222	88,04,273
(m) Payment to auditors (refer Note (i) below)	12,01,927	12,05,235

Particulars	For the Year ended March 31, 2020 Rupees	For the Year ended March 31, 2019 Rupees
(n) Directors Fee	90,000	90,000
(o) Miscellaneous Expenses	27,79,514	21,74,070
Total	5,94,50,504	5,89,33,347

Note (i)

Particulars	For the Year ended March 31, 2020 Rupees	For the Year ended March 31, 2019 Rupees
Payment to Auditors:		
Payment to auditors (net of GST input credit)		
For Statutory audit	8,70,000	8,70,000
For Certification and other services	3,30,000	3,30,000
For Out of pocket expenses	1,927	5,235
Total	12,01,927	12,05,235

Note - 24 Contingent liabilities, Contingent Assets and commitments

Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
Contingent liabilities		
Claims against the Company not acknowledged as debt		
Income tax demands disputed for various assessment years, on account of disallowance of certain expenses, where the Company has preferred appeal with the higher authorities	52,73,098	52,73,098
	52,73,098	52,73,098

In respect of items mentioned above the timing of outflow of economic benefits cannot be ascertained.

There are no Contingent Assets and Commitments at the end of each reporting periods

Note - 25 Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2020 Rupees	Year ended March 31, 2019 Rupees
Current Tax:		
In respect of current year	2,32,97,000	2,57,66,000
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	24,65,662	48,49,232
Adjustments due to changes in tax rates	(5,67,938)	(1,03,790)
	18,97,724	47,45,442
Total income tax expense	2,51,94,724	3,05,11,442

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Rupees	Rupees
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit Liabilities/(assets)	(50,947)	2,858
Total	(50,947)	2,858
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	(50,947)	2,858
Total	(50,947)	2,858

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Rupees	Rupees
Profit before tax	9,69,92,338	10,92,38,810
Income tax expense calculated at 25.170% (2019: 27.820%)*	2,44,12,971	3,03,90,236
Reduction in tax rate	(5,67,938)	(1,03,790)
Effect of income that is exempt from taxation	(4,037)	(3,969)
Effect of expenses that is non-deductible in determining taxable profit	13,53,728	2,28,965
Income tax expense recognised In profit or loss	2,51,94,724	3,05,11,442

The tax rate used for the March 31, 2020 and March 31, 2019 in reconciliations above is the corporate tax rate of 25.170% for FY 2019-20 and 27.820% for FY 2018-19 (including surcharge and cess) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

(d) Movement of Deferred Tax

Particulars	For the Year ended March 31, 2020			
	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
	Rupees	Rupees	Rupees	Rupees
<u>Tax effect of items constituting deferred tax assets</u>				
Property, Plant and Equipment	2,29,792	(35,370)	–	1,94,422
Employee Benefits	1,07,107	(13,978)	–	93,129
Expenses allowable on actual payment	20,96,235	1,76,391	–	22,72,626
Provisions	36,71,639	(21,86,207)	–	14,85,432
Gratuity Provision	(1,42,492)	1,61,440	50,947	69,895
Net Tax Asset/(Liabilities)	59,62,281	(18,97,724)	50,947	41,15,504

Particulars	For the Year ended March 31, 2019			
	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
	Rupees	Rupees	Rupees	Rupees
<u>Tax effect of items constituting deferred tax liabilities</u>				
Gratuity Assets	1,89,879	(50,245)	2,858	1,42,492
(A)	1,89,879	(50,245)	2,858	1,42,492
<u>Tax effect of items constituting deferred tax assets</u>				
Property, Plant and Equipment	3,00,114	(70,322)	–	2,29,792
Employee Benefits	1,10,960	(3,853)	–	1,07,107
Expenses allowable on actual payment	18,32,696	2,63,539	–	20,96,235
Provisions	86,56,689	(49,85,050)	–	36,71,639
(B)	1,09,00,459	(47,95,686)	–	61,04,773
Net Tax Asset/(Liabilities) (B-A)	1,07,10,580	(47,45,441)	(2,858)	59,62,281

Note - 26 Earnings per Share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Rupees	Rupees
	Per Share	Per Share
Basic Earnings per share	717.98	787.27
Diluted Earnings per share	717.98	787.27
	717.98	787.27

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Rupees	Rupees
Profit for the year attributable to owners of the Company	7,17,97,614	7,87,27,368
Earning used in the calculation of basic and diluted earnings per share	7,17,97,614	7,87,27,368
Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Face value per share Rs. 10)	1,00,000	1,00,000
Earnings per share - Basic & Diluted	717.98	787.27

Note - 27 Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity presented on the face of the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-20	31-Mar-19
Equity	40,54,83,870	57,49,48,319
Less : Cash and Bank Balances	(20,53,78,312)	(35,48,81,012)
	20,01,05,558	22,00,67,307

Categories of financial assets and financial liabilities

	As at March 31, 2020			
	Amortised Costs** Rupees	FVTPL Rupees	FVOCI Rupees	Total Rupees
Non-current Assets				
Trade Receivables	—	—	—	—
Loans and advances	10,80,177	—	—	10,80,177
Current Assets				
Investments	—	3,40,346	—	3,40,346
Trade Receivables	2,54,29,443	—	—	2,54,29,443
Cash and Cash Equivalents	8,54,99,458	—	—	8,54,99,458
Other Bank Balances	11,98,78,854	—	—	11,98,78,854
Loans and advances	—	—	—	—
Other Financial Assets				
— Non Derivative Financial Assets	87,86,125	—	—	87,86,125
Current Liabilities				
Trade Payables	76,30,174	—	—	76,30,174
Other Financial Liabilities				
— Non Derivative Financial Liabilities	74,54,939	—	—	74,54,939
	As at March 31, 2019			
	Amortised Costs** Rupees	FVTPL Rupees	FVOCI Rupees	Total Rupees
Non-current Assets				
Trade Receivables	1,63,92,470	—	—	1,63,92,470
Loans and advances	9,03,050	—	—	9,03,050
Current Assets				
Investments	—	3,24,308	—	3,24,308
Trade Receivables	15,09,53,894	—	—	15,09,53,894
Cash and Cash Equivalents	4,44,01,441	—	—	4,44,01,441
Other Bank Balances	31,04,79,571	—	—	31,04,79,571
Loans and advances	3,50,00,000	—	—	3,50,00,000
Other Financial Assets				
— Non Derivative Financial Assets	1,52,00,019	—	—	1,52,00,019
Current Liabilities				
Trade Payables	53,45,605	—	—	53,45,605
Other Financial Liabilities				
— Non Derivative Financial Liabilities	86,26,364	—	—	86,26,364

** The Company considers that the carrying amount of these financial instruments recognised in the financials statements approximate their fair values.

Fair value of investments

Investments represent investment by the Company in units of HDFC Cash Management Fund. The closing value at the end of each accounting period represents NAV as per HDFC Cash Management Fund and hence no separate fair valuation.

Financial Risk Management Framework

The Company's activities expose it to financial risks - credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

- Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The company has only one client for whom the operation and maintenance services are rendered. The Company has reached a settlement with its customers and has a approved payment schedule in place and also revenue terms for the future period.
- The Company has invested in units of HDFC Cash Management Fund which has the NAV of Rs. 3,40,346 as at the end of the reporting period (Previous year Rs. 3,24,308). HDFC has been regular in dividend payments and the credit risk on the investment is minimal.

The Company is not subject to any externally imposed capital requirements.

There is no change in estimation techniques or significant assumptions during the reporting period.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year Rupees	1-3 Years Rupees	3 Years to 5 Years Rupees	5 years and above Rupees
Non-derivative financial liabilities				
31-Mar-20				
Non-interest bearing	1,50,85,113	—	—	—
Total	1,50,85,113	—	—	—
31-Mar-19				
Non-interest bearing	1,39,71,969	—	—	—
Total	1,39,71,969	—	—	—

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year Rupees	1-3 Years Rupees	3 Years to 5 Years Rupees	5 years and above Rupees
Non-derivative financial assets				
31-Mar-20				
Non-interest bearing	23,99,34,226	—	—	10,80,177
Total	23,99,34,226	—	—	10,80,177
31-Mar-19				
Non-interest bearing	55,63,59,233	1,63,92,470	—	9,03,050
Total	55,63,59,233	1,63,92,470	—	9,03,050

Note - 28 Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities measured at Fair value	Fair value as at		Valuation technique(s) Fair value hierarchy and key input(s)
	March 31, 2020 Rupees	March 31, 2019 Rupees	
Financial assets			
Investments			
Mutual fund investments	3,40,346	3,24,308	Level -1 Net asset value published by HDFC Mutual Fund
Total financial assets	3,40,346	3,24,308	

Note - 29 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 24,42,434/- (2019 : Rs. 17,29,921/-) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under-perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which

are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Salary risk

The present value of the defined benefit 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.

Note: An entity shall disclose description of any plan amendments, curtailments and settlements.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-20	31-Mar-19
Discount rate(s)	6.85%	7.70%
Expected rate(s) of salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.85%	7.70%

Attrition rate

	Valuation as at	
	31-Mar-20	31-Mar-19
Age (Years)		
21 - 30	10.00%	10.00%
31 - 40	5.00%	5.00%
41 - 50	3.00%	3.00%
51 - 59	1.00%	1.00%

Defined benefit plans – as per actuarial valuation on March 31, 2020

Particulars	Funded Plan Gratuity	
	2020 Rupees	2019 Rupees
Amounts recognised in the Statement of Profit and Loss are as follows:		
1. Current service cost	7,41,357	7,27,822
2. Past Service Credit	—	—
3. Interest on net defined benefit liability/ (asset)	(39,439)	(54,097)
Components of defined loss benefit costs recognised in profit or loss	7,01,918	6,73,725
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	11,077	54,216

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Funded Plan Gratuity	
	2020 Rupees	2019 Rupees
Actuarial (gains) and losses arising from changes in financial assumptions	7,58,506	1,20,188
Actuarial (gains) and losses arising from changes in demographic assumptions	-	266
Actuarial (gains) and losses arising from experience adjustments	(5,67,173)	(1,83,710)
Change in asset ceiling, excluding amounts included in interest expenses	-	(1,313)
Components of defined benefit costs recognised in other comprehensive income	2,02,410	(10,353)

I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31,

1. Present value of defined benefit obligation as at March 31,	87,11,920	73,66,597
2. Fair value of plan assets as at March 31,	84,34,228	78,78,790
3. Surplus/(Deficit)	(2,77,692)	5,12,193
4. Amount not recognised due to asset limit	-	-
5. Current portion of the above	-	-
6. Non current portion of the above	(2,77,692)	5,12,193

II. Change in the obligation during the year ended March 31,

1. Present value of defined benefit obligation at the beginning of the year	73,66,597	66,84,418
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	7,41,357	7,27,822
- Past Service Cost	-	-
- Interest Expense/(Income)	5,39,626	5,14,343
4. Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	266
ii. Financial Assumptions	7,58,506	1,20,188
iii. Experience Adjustments	(5,67,173)	(1,83,710)
5. Benefit payments	(1,26,993)	(4,96,730)
6. Others (Specify)	-	-

7. Present value of defined benefit obligation at the end of the year	87,11,920	73,66,597
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III. Change in fair value of plan assets during the year ended March 31,

1. Fair value of plan assets at the beginning of the year	78,78,790	73,74,778
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	5,79,065	5,68,536
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	(11,077)	(54,216)

Particulars	Funded Plan Gratuity	
	2020 Rupees	2019 Rupees
5. Contributions by employer (including benefit payments)	1,14,443	4,86,422
6. Benefit payments	(1,26,993)	(4,96,730)
7. Fair value of plan assets at the end of the year	84,34,228	78,78,790
IV. The Major categories of plan assets		
- Insurer managed funds (Non Quoted Value)	84,34,228	78,78,790

Notes:

The current service cost and net interest expenses for the year is included in the "Employee benefits expenses" line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is Included in other comprehensive income.

V The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	2020	78,30,285	97,56,095
	2019	66,19,007	82,51,091
Salary growth rate	2020	97,33,703	78,31,422
	2019	82,39,619	66,14,509

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

VI Maturity profile of defined benefit obligation:

	2020	2019
Expected benefits for year 1	7,74,327	7,16,941
Expected benefits for year 2	2,85,026	2,76,772
Expected benefits for year 3	5,34,786	2,74,326
Expected benefits for year 4	4,83,405	5,21,509
Expected benefits for year 5	12,84,521	4,72,500
Expected benefits for year 6	3,53,032	12,62,925
Expected benefits for year 7	2,46,559	3,39,945
Expected benefits for year 8	4,31,648	2,35,373
Expected benefits for year 9	7,36,100	4,15,326
Expected benefits for year 10	1,67,84,662	1,67,88,611

VII Plan Assets

The fair value of Company's pension plan asset as of March 31, 2020 and 2019 category are as follows:

	2020	2019
Asset category:		
Cash and cash equivalents	-	-
Debt instruments (quoted)	-	-
Debt instruments (unquoted)	-	-
Equity instruments (quoted)	-	-
Deposits with Insurance companies	84,34,228	78,78,790
	84,34,228	78,78,790

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 10.99 years (2019: 11.01 years)

VIII. Experience Adjustments :

	2020	2019	Year ended 2018 Gratuity	2017	2016
1. Defined Benefit Obligation	87,11,920	73,66,597	66,84,418	55,74,480	52,92,339
2. Fair value of plan assets	84,34,228	78,78,790	73,74,778	56,31,497	60,23,517
3. Surplus/(Deficit)	(2,77,692)	5,12,193	6,90,360	57,017	7,31,178
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(5,67,173)	(1,83,710)	(2,13,107)	11,97,367	1,31,342
5. Experience adjustment on plan assets [Gain/(Loss)]	11,077	54,216	(1,09,471)	43,622	(26,012)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note - 30 Related Party Transactions

Name of the related party	Relationship
Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Lifespace Developers Limited	Parent of the Holding Company
Mahindra Infrastructure Developers Limited	Holding Company

Note: Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

List of other related parties & relationships

Name of the related party	Relationship
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary
Mahindra Retail Limited	Fellow subsidiary
Mahindra Rural Housing Finance Limited	Fellow subsidiary
Mahindra Logistics Limited	Fellow subsidiary
Mahindra Engineering & Chemical Products Limited	Fellow subsidiary

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	Mahindra & Mahindra Limited	Mahindra & Mahindra Financial Services Limited	Mahindra Infrastructure Developers Limited	Mahindra Retail Limited	Mahindra Rural Housing Finance Limited	Mahindra Engineering & Chemical Products Limited	Mahindra Logistics Limited	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Loan to related party	– (–)	8,75,00,000 (3,50,00,000)	– (–)	– (–)	8,00,00,000 (–)	– (–)	– (–)	16,75,00,000 (3,50,00,000)
Repayment of loan by related party	– (–)	3,50,00,000 (–)	– (–)	– (15,00,00,000)	– (–)	– (–)	– (–)	3,50,00,000 (15,00,00,000)
Interest on loan to related party	– (–)	57,86,504 (2,20,068)	– (–)	– (26,22,945)	10,31,684 (–)	– (–)	– (–)	68,18,188 (28,43,013)
Revenue-Income from services rendered	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	4,55,000 (–)	4,55,000 (–)
Dividend paid	– (–)	– (–)	19,79,98,000 (9,89,99,000)	– (–)	– (–)	– (–)	– (–)	19,79,98,000 (9,89,99,000)
Travelling Expenses	15,929 (–)	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	15,929 (–)
Professional Charges	2,71,784 (2,53,281)	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	2,71,784 (2,53,281)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Nature of transactions with Related Parties	Mahindra & Mahindra Limited	Mahindra & Mahindra Financial Services Limited	Mahindra Infrastructure Developers Limited	Mahindra Retail Limited	Mahindra Rural Housing Finance Limited	Mahindra Engineering & Chemical Products Limited	Mahindra Logistics Limited	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Safety Consumables	–	–	–	–	–	8,680	–	8,680
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Software expenses	4,08,005	–	–	–	–	–	–	4,08,005
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Training Fee	1,53,604	–	–	–	–	–	–	1,53,604
	(63,967)	(–)	(–)	(–)	(–)	(–)	(–)	(63,967)

Nature of Balances with Related Parties	Mahindra & Mahindra Limited	Mahindra & Mahindra Financial Services Limited	Mahindra Infrastructure Developers Limited	Mahindra Retail Limited	Mahindra Rural Housing Finance Limited	Mahindra Engineering & Chemical Products Limited	Mahindra Logistics Limited	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade payables	2,52,526	–	–	–	–	–	–	2,52,526
	(84,054)	(–)	(–)	(–)	(–)	(–)	(–)	(84,054)
Loan to related party	–	8,75,00,000	–	–	8,00,00,000	–	–	16,75,00,000
	(–)	(3,50,00,000)	(–)	(–)	(–)	(–)	(–)	(3,50,00,000)
Interest Accrued on Loan to related party	–	6,65,751	–	–	7,92,589	–	–	14,58,340
	(–)	(2,20,068)	(–)	(–)	(–)	(–)	(–)	(2,20,068)

Note:

Previous year's figures are in brackets.

Trade payables to related parties represent dues on account of services rendered and do not contain guarantee transactions.

Note 31 - Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers" :

Particular	For the year ended March 31, 2020	For the year ended March 31, 2019
1 Details of revenue from contract with customer recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
Rendering of Services	19,33,69,513	19,42,61,494
2 Impairment loss on trade receivables recognised/(written back) in the Statement of profit and loss based on evaluation under Ind AS 109	(72,96,243)	(1,82,20,480)
3 Disaggregate Revenue		
Particular	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue based on market or customer type		
Government/bodies established by Government	19,33,69,513	19,42,61,494
Other than Government	–	–
	19,33,69,513	19,42,61,494
Revenue based on its geographical location		
Within India	19,33,69,513	19,42,61,494
Overseas locations	–	–
	19,33,69,513	19,42,61,494
Revenue based on its timing of recognition		
Point in time	–	–
Over a period of time	19,33,69,513	19,42,61,494
	19,33,69,513	19,42,61,494

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

4 Reconciliation of revenue from contract with customer

Particular	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contract with customer as per the contract price	19,33,69,513	19,42,61,494
Adjustments made to contract price on account of :-		
Discounts/Rebates/Incentives	-	-
Sales Returns/Reversals	-	-
Deferralment of revenue	-	-
Changes in estimates of variable consideration	-	-
Recognition of revenue from contract liability out of opening balance of contract liability	-	-
Any other adjustments	-	-
Revenue from contract with customer as per the statement of Profit and Loss	<u>19,33,69,513</u>	<u>19,42,61,494</u>

5 Breakup of Revenue into contracts entered in previous year and in current year

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from PO/ contract/agreement entered into in previous year	19,33,69,513	19,42,61,494
Revenue from New PO/ contract/agreement entered into in current year	-	-
Total Revenue recognised during the period	<u>19,33,69,513</u>	<u>19,42,61,494</u>

Note - 32 Disclosure under Section 186(4) of the Companies Act, 2013:

Name	Nature	Given during the year (Rs.)	Closing Balance (Rs.)	Period	Rate of Interest	Purpose
Mahindra & Mahindra Financial Services Limited	Loan	15,75,00,000	8,75,00,000	(a) 10.02.20 to 09.02.22 (b) 04.03.20 to 04.03.22	7.50%	Business
Mahindra Rural Housing Finance Limited	Loan	13,00,00,000	8,00,00,000	10.02.2020 to 10.02.2022	7.90%	Business

Note - 33 Corporate Social Responsibility

- (a) Gross amount required to be spent by the company during the year - Rs. 18,66,330
- (b) Amount spent during the year on (give categories):

Particulars	Amount spent	Amount yet to be paid	Total Amount
Education of the Girl Children	9,33,000	-	9,33,000
Promotion of Education	13,40,187	-	13,40,187
Total	22,73,187	-	22,73,187

Note - 34

The Company's business activity is that of an Operations and Maintenance (O&M) Contractor. All activities of the company revolve around its main business. The company operates only in India. There is a single operating segment as defined by Indian Accounting Standard 108 "Operating Segments".

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note - 35

The Company has entered into operating lease arrangements for warehouse. The lease is cancellable and for a period of 11 months, renewable by mutual consent. Lease payments recognised in the Statement of Profit and loss is Rs. 3,30,000/- (Previous year Rs. 3,30,000/-)

Note - 36

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Note - 37

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from April 1, 2020.

Note - 38

In respect of the current year, the Board at its meeting held on April 24, 2020 has recommended a dividend of Rs. 2,600 per share on equity shares of Rs. 10 each subject to approval by shareholders at the Annual General Meeting. The same has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members as on the date of approval by the shareholders ("the record date"). The total estimated equity dividend to be paid is Rs. 26,00,00,000.

Note - 39

The Company considered the impact of COVID-19 on the assumptions and estimates used in the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting periods presented and determined that there were no material adverse impacts on the financial statements of the Company for the year ended March 31, 2020.

Note - 40

No material events have occurred after the balance sheet date and upto the approval of the financial statements.

Note - 41

The financial statements were approved for issue by the Board of Directors on April 24, 2020.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 24, 2020

For and on behalf of the Board of Directors

S. Venkatraman	Director
Srinath Ramamurthy	Director
T. Govindarajan	Chief Financial Officer

Place : Mumbai
Date : April 24, 2020

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MOONSHINE CONSTRUCTION PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Moonshine Construction Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2020 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of 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 financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its Loss and cash flows 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. Our responsibilities under those Standards are further described in *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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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 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.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement 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 Responsibilities 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 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.

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 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.

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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report

expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial statements;
- 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 **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818
UDIN: 20049818AAAAABN4833

Place: Mumbai
Date: 27.04.2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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 (the "Order"), and on the basis of such checks of the books and records of the Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

i. In respect of its fixed assets:

As per information provided by the Company to us, it does not have any fixed assets. Accordingly, paragraph 3 (i) of the Order is not applicable to the Company.

ii. In respect of its inventories:

The Company does not have inventory. Accordingly, clause 3(ii) of the Order is not applicable.

iii. Loan given by Company:

The Company has not granted secured or unsecured loans to Companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.

iv. Loan to Directors and investment by company:

The Company has not given any loans, made any investment nor issued any guarantees and securities. Hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

viii. Repayment of Loans:

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans. The Company has also not issued any debentures as at the balance sheet date.

ix. Utilisation of IPO & further public offer:

The Company has not raised any money by way of initial public offer or further public offer and no term loan was raised by the Company.

x. Reporting of Fraud:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xi. Approval of Managerial Remuneration:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the Audit Period. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Private Placements or Preferential Issues:

The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN 117246W

Mukesh Maheshwari
Partner

Membership No.: 049818
UDIN: 20049818AAAAABN4833

Place: Mumbai
Date: 27.04.2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOONSHINE CONSTRUCTION PRIVATE LIMITED

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 **Moonshine Construction Private Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner

Membership No.: 049818
UDIN: 20049818AAAABN4833

Place: Mumbai
Date: 27.04.2020

BALANCE SHEET FOR THE PERIOD ENDED 31ST MARCH 2020

			(Amount in ₹)
	Note No.	As at 31 st March 2020	As at 31 st March 2019
I ASSETS			
NON-CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	25,000	25,000
Total Non-Current Assets (I)		25,000	25,000
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	46,804	4,771
(ii) Bank balances other than (i) above	5	–	73,447
(b) Other Current Assets	6	9,293	447
Total Current Assets (II)		56,097	78,665
Total Assets [(I) + (II)]		81,097	103,665
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	7	210	210
(b) Other Equity	8	(3,130,054)	(3,073,682)
Total equity (III)		(3,129,844)	(3,073,472)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	9	99,790	99,790
Total Non-current liabilities (IV)		99,790	99,790
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10	2,665,000	2,665,000
(ii) Trade Payables	11		
– total outstanding dues of micro enterprises and small enterprises		–	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises		404,063	381,484
(iii) Other Financial Liabilities	12	40,686	28,063
(b) Other Current Liabilities	13	1,402	2,800
Total current liabilities (V)		3,111,151	3,077,347
Total equity and liabilities [(III) + (IV) + (V)]		81,097	103,665

See accompanying notes forming part of the financial statements.

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Firm Registration No: 117246W

Mukesh Maheshwari

Partner

Membership No: 49818

Place: Mumbai

Date: 27th April 2020

For and on behalf of the Board of Directors

Ujhas Bhosale

Director (DIN-08217384)

Vinay Mohan Srivastva

Director (DIN-01172665)

Place: Mumbai

Date: 27th April 2020

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2020

Particulars	Note No.	(Amount in ₹)	
		As at 31 st March 2020	As at 31 st March 2019
Continuing Operations			
I Revenue from operations		–	–
II Other Income	14	1,684	3,434
III Total Revenue (I + II)		1,684	3,434
IV EXPENSES			
(i) Finance cost	15	14,025	16,682
(ii) Other expenses.....	16	44,032	60,696
Total Expenses (III-IV)		58,057	77,378
V Loss for the period (IV)		(56,373)	(73,944)
VI Loss before tax		(56,373)	(73,944)
VII Other comprehensive income		–	–
VIII Total comprehensive income for the period (VI + VII)		(56,373)	(73,944)
IX Earnings per equity share (from continuing and discontinued operations):			
Basic/Diluted	17	(2,684.40)	(3,521.12)

See accompanying notes forming part of the financial statements.

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Firm Registration No: 117246W

Mukesh Maheshwari

Partner

Membership No: 49818

Place: Mumbai

Date: 27th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Vinay Mohan Srivastva

Director (DIN-01172665)

Place: Mumbai

Date: 27th April 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Cash flows from operating activities		
Profit before tax for the year	(56,373)	(73,944)
Adjustments for:		
Investment income recognised in profit or loss.....	(1,684)	(3,434)
	<u>(58,057)</u>	<u>(77,378)</u>
Movements in working capital:		
(Increase)/decrease in other assets	64,602	(3,434)
(Decrease)/increase in other liabilities	33,804	(13,007)
Net cash generated by operating activities	<u>40,349</u>	<u>(93,819)</u>
Cash flows from investing activities		
Interest received	1,684	3,434
Net cash (used in)/generated by investing activities	<u>1,684</u>	<u>3,434</u>
Net increase in cash and cash equivalents	<u>42,033</u>	<u>(90,385)</u>
Cash and cash equivalents at the beginning of the year	4,771	95,156
	<u>46,804</u>	<u>4,771</u>
Cash and cash equivalents at the end of the year	<u>46,804</u>	<u>4,771</u>

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Firm Registration No: 117246W

Mukesh Maheshwari

Partner

Membership No: 49818

Place: Mumbai

Date: 27th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Vinay Mohan Srivastva

Director (DIN-01172665)

Place: Mumbai

Date: 27th April 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020**A. Equity Share Capital**

As at 1 April, 2018	210
Changes in equity share capital during the year	—
As at 31 March, 2019	210
Changes in equity share capital during the year	—
As at 31 March, 2020	210

a. Equity share capital

	Equity share capital (no of shares)
Balance at 31 March, 2018	21
Changes in equity share capital during the year	
Issue of equity shares	—
Balance at 31 March, 2019	21
Changes in equity share capital during the year	
Issue of equity shares	—
Balance at 31 March, 2020	21

Particulars	Retained earnings
Balance at 31 March, 2018	(2,999,738)
Profit/(Loss) for the period	(73,944)
Other comprehensive income	—
Total comprehensive income	(73,944)
Balance at 31 March, 2019	(3,073,682)
Profit/(Loss) for the period	(56,373)
Other comprehensive income	—
Total comprehensive income	(56,373)
Balance at 31 March, 2020	(3,130,054)

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Firm Registration No: 117246W

Mukesh Maheshwari

Partner

Membership No: 49818

Place: Mumbai

Date: 27th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Vinay Mohan Srivastva

Director (DIN-01172665)

Place: Mumbai

Date: 27th April 2020

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Moonshine Construction Private Limited ("the Company") is a private limited company incorporated in India on 16 May, 1996 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 27th April, 2020.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 4 - Investments

Particulars	Face Value (₹)	As at 31 st March 2020		As at 31 st March 2019	
		Nos.	Amount in ₹	Nos.	Amount in ₹
A. Investments carried at cost or deemed cost					
Investments in Preference shares					
Preference shares - Mahindra World City Maharashtra Limited	10	2,500	25,000	2,500	25,000
Total Investments (A)			25,000		25,000

Note No. 5 - Cash and Bank Balances

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Cash and cash equivalents		
(a) Balances with banks	46,804	4,771
Total Cash and cash equivalent	46,804	4,771
Other Bank Balances		
(b) Balances with Banks:		
(i) In deposit accounts	-	73,447
Total Other Bank balances	-	73,447
Total Other Bank balances	46,804	78,218

Note No. 6 - Other assets

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
(a) Advances other than capital advances		
(i) Interest accrued but not due on term deposit accounts	-	447
(ii) Prepaid expenses	9,293	
	9,293	447

Note No. 7 - Equity share capital

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	21	210	21	210
	21	210	21	210
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each	21	210	21	210
	21	210	21	210

Notes (i) to (iv) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Number of shares	₹	Number of shares	₹
Opening balance	21	210	21	210
Add: Issued during the year	-	-	-	-
Closing balance	21	210	21	210

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by:

Particulars	As at 31 st March 2020	As at 31 st March 2019
Mahindra World City Maharashtra Limited	20	20

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Number of shares	% holding	Number of shares	% holding
Mahindra World City Maharashtra Limited	20	95.24%	20	95.24%

Note No. 8 - Other equity

Particulars	(Amount in ₹)	
	Retained earnings	Total
Balance at 31st March, 2018	(2,999,738)	(2,999,738)
Profit/(Loss) for the period	(73,944)	(73,944)
Other comprehensive income	-	-
Total comprehensive income	(73,944)	(73,944)

(Amount in ₹)

Particulars	Retained earnings	Total
Balance at 31 st March, 2019	(3,073,682)	(3,073,682)
Profit/(Loss) for the period	(56,373)	(56,373)
Other comprehensive income	-	-
Total comprehensive income	(56,373)	(56,373)
Balance at 31 st March, 2020	(3,130,054)	(3,130,054)

Note No. 9 - Non-Current Borrowings

(Amount in ₹)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Measured at amortised cost*		
A. Unsecured Borrowings - at amortised Cost		
(i) Other Loans		
Redeemable preference share capital	99,790	99,790
Total Unsecured Borrowings	99,790	99,790
Total Borrowings	99,790	99,790

Note No. 10 - Current Borrowings

(Amount in ₹)

Particulars	As at 31 st March 2020	As at 31 st March 2019
A. Unsecured Borrowings		
(i) Loans from related parties*	150,000	150,000
(ii) Loans from others	2,515,000	2,515,000
Total Unsecured Borrowings	2,665,000	2,665,000
Total Current Borrowings	2,665,000	2,665,000

*The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited @ 9.20% p.a

Note No. 11 - Trade Payables

(Amount in ₹)

Particulars	As at 31 st March 2020	As at 31 st March 2019
- Trade payable -total outstanding Dues of micro enterprises and small enterprises	-	-
- Trade payable - Other than micro and small enterprises	404,063	381,484
Total Trade Payables	404,063	381,484

Note:

Based on the information available with the Company there are no outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date

Note No. 12 - Other current liabilities

(Amount in ₹)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Current		
(a) Interest accrued but not due on Inter Corporate Deposit	40,686	28,063
Total Other Current Liabilities	40,686	28,063

Note No. 13 - Other Financial Liabilities

(Amount in ₹)

Particulars	As at 31 st March 2020	As at 31 st March 2019
a. Others		
Statutory remittances (withholding taxes, service tax, etc.)	1,402	2,800
Total Other Financial Liabilities	1,402	2,800

Note No. 14 - Other Income

(Amount in ₹)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(a) Interest Income		
(i) Interest on Bank Deposits	1,684	3,434
Total Other Income	1,684	3,434

Note No. 15 - Finance Cost

(Amount in ₹)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(a) Interest expense	14,025	16,682
Total Finance Cost	14,025	16,682

Note No. 16 - Other Expenses

(Amount in ₹)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	15,340	15,340
(b) Other expenses		
(i) Legal and other professional costs	21,329	40,996
(ii) Others	7,363	4,360
Total Other Expenses	44,032	60,696

Note No. 17 - Earnings per Share

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
(a) Net loss for the period	(56,373)	(73,944)
(b) Nominal value per share	10	10
(c) Weighted average number of equity shares (No.)	21	21
(d) Basic/Diluted earning per share	(2,684.40)	(3,521.12)

Note No. 18 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

(Amount in ₹)

1	Mahindra Lifespace Developers Limited	Holding Company
Particulars	For the year ended	Holding Company
<u>Nature of transactions with Related Parties</u>		
Interest on ICD	31-Mar-20	14,025
	31-Mar-19	15,301
	Balances as on	Holding Company
<u>Nature of Balances with Related Parties</u>		
Payables (ICD and Interest on ICD)	31-Mar-20	190,686
	31-Mar-19	178,063

Notes:

- During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
- Related parties have been identified by the Management.

Note No. 19 - The accounts of the Company for the year ended 31 March, 2020 have been prepared on the basis of going concern.

Note No. 20 - Financial Instruments**[I] Capital management**

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern.

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The

Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit loss. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

(B) LIQUIDITY RISK**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(Amount in ₹)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial						
31-Mar-20						
Trade Payable	37,919	366,144	–	–	404,063	404,063
Total	37,919	366,144	–	–	404,063	404,063
31-Mar-19						
Trade Payable	27,670	353,814	–	–	381,484	381,484
Total	27,670	353,814	–	–	381,484	381,484

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 years and above	Total	Carrying amount
Non-derivative financial assets						
31st March, 2020						
Non interest rate bearing	46,804	–	–	–	46,804	46,804
Fixed interest rate bearing	–	–	–	–	–	–
Total	46,804	–	–	–	46,804	46,804
31st March, 2019						
Non interest rate bearing	4,771	–	–	–	4,771	4,771
Fixed interest rate bearing	73,447	–	–	–	73,447	73,447
Total	78,218	–	–	–	78,218	78,218

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 risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 21 - Fair Value Measurement**Fair Valuation Techniques and Inputs used**

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs:

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(Amount in ₹)

Fair value hierarchy as at 31 st March 2020				
Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
(i) Cash and cash equivalents	-	46,804	-	46,804
(ii) Other bank balances	-	-	-	-
Total	-	46,804	-	46,804
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
(i) Non Current Borrowings	-	99,790	-	99,790
(ii) Current Borrowings	-	26,65,000	-	26,65,000
(iii) Trade payables	-	4,04,063	-	4,04,063
(iv) Other Financial Liabilities	-	40,686	-	40,686
Total	-	32,09,539	-	32,09,539

(Amount in ₹)

Fair value hierarchy as at 31 st March 2019				
Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
<u>Financial assets carried at Amortised Cost</u>				
(i) Cash and cash equivalents	-	4,771	-	4,771
(ii) Other bank balances	-	73,447	-	73,447
Total	-	78,218	-	78,218
Financial liabilities				
<u>Financial liabilities held at amortised cost</u>				
(i) Non Current Borrowings	-	99,790	-	99,790
(ii) Current Borrowings	-	26,65,000	-	26,65,000
(iii) Trade payables	-	3,81,484	-	3,81,484
(iv) Other Financial Liabilities	-	28,063	-	28,063
Total	-	31,74,337	-	31,74,337

In terms of our report attached

For **R Jaitalia & Co.**

Chartered Accountants

Firm Registration No: 117246W

Mukesh Maheshwari

Partner

Membership No: 49818

Place: Mumbai

Date: 27th April 2020

For and on behalf of the Board of Directors

Ulhas Bhosale

Director (DIN-08217384)

Vinay Mohan Srivastva

Director (DIN-01172665)

Place: Mumbai

Date: 27th April 2020

INDEPENDENT AUDITORS' REPORT

To the Members of **MAHINDRA KNOWLEDGE PARK (MOHALI) LIMITED**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **MAHINDRA KNOWLEDGE PARK (MOHALI) LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of 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 financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and Cash Flow for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. 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 Act and the rules there under, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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 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 financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities 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 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.

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 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.

Report on other legal and regulatory requirements

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 Companies

Act, 2013, we give in the **Annexure "1"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 it appears from our examination of those books;
- c) The balance sheet and the statement of profit and loss 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 rule 7 of the **Companies (Accounts) Rules, 2014**;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure 2**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and;
- g) 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, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a) The Company does not have any pending litigations which would impact its financial position;
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Giriraj Bang & Company

Chartered Accountants
Firm registration No.: 129434W

Giriraj Bang

Proprietor

Mumbai, April 24, 2020

Membership No. : 111840
UDIN: 20111840AAAABB3590

ANNEXURE – 1 TO THE AUDITORS REPORT

The annexure referred to in independent auditors report to the members of the Company on the financial statements for the year ended 31 March 2020. We report that:

- (i) The Company does not have fixed assets and, accordingly, the requirements under paragraph 4 (i) (a),(b) and (c) are not applicable to the Company.
- (ii) The Company's business does not have inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues were outstanding, at the year end, 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, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, Goods and Service Tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements

and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way term loans were applied for the purposes for which those were raised.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions 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 provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Giriraj Bang & Company
Chartered Accountants
Firm registration No.: 129434W

Giriraj Bang
Proprietor

Membership No. : 111840
UDIN: 20111840AAAABB3590

Mumbai, April 24, 2020

ANNEXURE – 2 TO THE AUDITORS REPORT

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA KNOWLEDGE PARK (MOHALI) LIMITED

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

To the Members of MAHINDRA KNOWLEDGE PARK (MOHALI) LIMITED

We were engaged to audit the internal financial controls over financial reporting of MAHINDRA KNOWLEDGE PARK (MOHALI) LIMITED ("the Company") as of March 31, 2020, in conjunction with our audit of the 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 (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 the 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.

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 as specified 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Giriraj Bang & Company

Chartered Accountants

Firm registration No.: 129434W

Giriraj Bang

Proprietor

Membership No. : 111840

UDIN: 20111840AAAABB3590

Mumbai, April 24, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	(Amount in ₹)	
		As at 31 st March, 2020	As at 31 st March, 2019
I ASSETS			
Non-current assets		—	—
Total Non-current assets (I)		—	—
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	4	2,666	2,666
(b) Other current assets	5	9,293	—
Total current assets (II)		11,959	2,666
TOTAL ASSETS {(I)+(II)}		11,959	2,666
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	6	130	130
(b) Other equity	7	(12,243,177)	(12,202,810)
Total equity (III)		(12,243,047)	(12,202,680)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	8	500,000	500,000
Total Non-current liabilities (IV)		500,000	500,000
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	9		
— total outstanding dues of micro enterprises and small enterprises		—	—
— total outstanding dues of trade payables other than micro enterprises and small enterprises		11,755,006	11,693,546
(b) Other current liabilities	10	—	11,800
Total current liabilities (V)		11,755,006	11,705,346
Total equity and liabilities {(III)+(IV)+(V)}		11,959	2,666

See accompanying notes forming part of the financial statements

In terms of our report attached

For Giriraj Bang & Company
Chartered Accountants
Firm registration No.: 129434W

Giriraj Bang
Proprietor
Membership No.: 111840

Place : Mumbai
Date : 24th April, 2020

For and on behalf of Board of Directors

Feroze Baria
Director (DIN 03315262)

Ulhas Bhosale
Director (DIN 08217384)

Place : Mumbai
Date : 24th April, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	(Amount in ₹)	
		For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
I Revenue from operations		—	—
II Other income		—	—
III Total income (I+II)		—	—
IV Expenses			
(a) Other expenses	11	40,367	54,382
Total Expenses (IV)		40,367	54,382
V Loss before tax (III-IV)		(40,367)	(54,382)
VI Tax Expense			
(1) Current tax		—	—
(2) Deferred tax		—	—
Total tax expense		—	—
VII Loss for the period (V-VI)		(40,367)	(54,382)
VIII Other comprehensive income		—	—
IX Total comprehensive income for the year (VII+VIII)		(40,367)	(54,382)
X Earnings per equity share			
Basic/Diluted	12	(3,105.12)	(4,183.23)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Giriraj Bang & Company
Chartered Accountants
Firm registration No.: 129434W

Giriraj Bang
Proprietor
Membership No.: 111840

Place : Mumbai
Date : 24th April, 2020

For and on behalf of Board of Directors

Feroze Baria
Director (DIN 03315262)

Ulhas Bhosale
Director (DIN 08217384)

Place : Mumbai
Date : 24th April, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	(Amount in ₹)	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Cash flows from operating activities		
Loss for the year	(40,367)	(54,382)
	(40,367)	(54,382)
Movements in working capital:		
Decrease in trade and other payables	61,460	42,582
(Increase)/decrease in other current assets	(9,293)	-
(Decrease)/increase in other current liabilities	(11,800)	11,800
Income taxes paid	-	-
Net cash (used in)/generated by operating activities.....	-	-
Cash flows from investing activities		
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year.....	2,666	2,666
	2,666	2,666
Cash and cash equivalents at the end of the year.....	2,666	2,666

See accompanying notes forming part of the financial statements

In terms of our report attached

For Giriraj Bang & Company
Chartered Accountants
Firm registration No.: 129434W

Giriraj Bang
Proprietor
Membership No.: 111840

Place : Mumbai
Date : 24th April, 2020

For and on behalf of Board of Directors

Feroze Baria
Director (DIN 03315262)

Ulhas Bhosale
Director (DIN 08217384)

Place : Mumbai
Date : 24th April, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**A. Equity share capital****(Amount in ₹)**

As at 31st March, 2018	130
Changes in equity share capital during the year	–
As at 31st March, 2019	130
Changes in equity share capital during the year	–
As at 31st March, 2020	130

Retained earnings**B. Other Equity****(Amount in ₹)**

As at 31st March, 2018	(12,148,428)
Loss for the year	(54,382)
Other Comprehensive Loss	–
As at 31st March, 2019	(12,202,810)
Loss for the year	(40,367)
Other Comprehensive Loss	–
As at 31st March, 2020	(12,243,176)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Giriraj Bang & Company
Chartered Accountants
Firm registration No.: 129434W

Giriraj Bang
Proprietor
Membership No.: 111840

Place : Mumbai
Date : 24th April, 2020

For and on behalf of Board of Directors

Feroze Baria
Director (DIN 03315262)

Ulhas Bhosale
Director (DIN 08217384)

Place : Mumbai
Date : 24th April, 2020

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Mahindra Knowledge Park (Mohali) Limited ("the Company") is a public company incorporated in India on 11 July, 1994 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at Fortis Heart Institute, Sector 62 Mohali, Chandigarh, Punjab.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 24th April, 2020.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the

increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - (a) Cash and cash equivalents

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
(a) Balance with bank.....	2,666	2,666
Total Cash and cash equivalents.....	2,666	2,666

Note No. 5 - Other Current assets

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
(a) Prepaid Expenses	9,293	–
Total Other Current assets	9,293	–

Note No. 6 - Equity Share Capital

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Authorised:				
Equity shares of ₹10 each with voting rights	1,000,000	10,000,000	1,000,000	10,000,000
Issued, Subscribed and Fully Paid:				
Equity shares of ₹10 each with voting rights	13	130	13	130
Total	13	130	13	130

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares with Voting rights*			
Year Ended 31 March 2020			
No. of Shares	13	–	13
Amount	130	–	130
Year Ended 31 March 2019			
No. of Shares	13	–	13
Amount	130	–	130

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The Distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31 st March 2020		As at 31 st March 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	6	46.15%	6	46.15%
Mr. A Vishwanth	1	7.69	1	7.69
Mr. Rajkumar Andley	1	7.69	1	7.69
Mr. Vivek Kejriwal	1	7.69	1	7.69
Mr. Pawan Kumar	1	7.69	1	7.69
Mr. Chandra Prakash Bhatia	1	7.69	1	7.69
Mr. Neerak Saroj	1	7.69	1	7.69
Mr. Alok Kumar Mishra	1	7.69	1	7.69

Note No. 7 - Other Equity

Particulars	(Amount in ₹)	
	Retained earnings	Total
As at 31st March, 2018.....	(12,148,428)	(12,148,428)
Loss for the period	(54,382)	(54,382)
Other Comprehensive Loss	–	–
As at 31st March, 2019.....	(12,202,810)	(12,202,810)
Loss for the period	(40,367)	(40,367)
Other Comprehensive Loss	–	–
As at 31st March, 2020.....	(12,243,177)	(12,243,177)

Note No. 8 - Non-Current Borrowings

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Measured at amortised cost		
A. Secured Borrowings:	–	–
Total Secured Borrowings	–	–
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans		
Redeemable preference share capital	500,000	500,000
Total Unsecured Borrowings	500,000	500,000
Total Borrowings	500,000	500,000

Note No. 9 - Trade Payables

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
	Current	Current
Trade payable -total outstanding Dues of micro enterprises and small enterprises	-	-
Trade payable - Other than micro and small enterprises	11,755,006	11,693,546
Total trade payables	11,755,006	11,693,546

Note:

Based on the information available with the Company there are no outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date

Note No. 10 - Other current liabilities

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
	Current	Current
a. Others		
Expenses Payable	-	11,800
Total Other Current Liabilities	-	11,800

Note No. 11 - Other Expenses

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
(a) Professional charges.....	26,429	44,882
(b) Stamp & Filing Fees	4,288	3,600
(c) Payments to auditors (including GST):		
(i) For audit	5,900	5,900
(d) Miscellaneous expenses.....	3,750	-
Total Other Expenses	40,367	54,382

Note No. 12 - Earnings per Share

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
(a) Net loss for the period.....	(40,367)	(54,382)
(b) Nominal value per share.....	10	10
(c) Weighted average number of equity shares (No.).....	13	13
(d) Basic/Diluted earning per share.....	(3,105.12)	(4,183.23)

Note No. 13 - Related Party Transactions

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
---	-----------------------------	--------------------------

Group Company

2	Mahindra Infrastructure Developers Limited
---	--

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Group Company
Nature of transactions with Related Parties				
Paid to creditors outstanding balance	31-Mar-20	-	-	36,707
	31-Mar-19	-	-	63,238

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company	Group Company
Payables	31-Mar-20	859,205	-	158,706
	31-Mar-19	859,205	-	121,369

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.

2. Related parties have been identified by the Management.

Note No. 14 - Financial Instruments
Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31st March 2020, 31st March 2019 is as follows:

	31-Mar-20	31-Mar-19
Debt (A).....	500,000	500,000
Equity (B)	(12,243,047)	(12,202,680)
Debt Ratio (A/B)	(0.04)	(0.04)

Categories of financial assets and financial liabilities

	As at 31 st March 2020			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-			-
Current Assets				
Other Bank Balances.....	2,666			2,666
Non-current Liabilities				
Borrowings	500,000			500,000
Current Liabilities				
Borrowings	-			-
Trade Payables	11,755,006			11,755,006

(Amount in ₹)

As at 31st March 2019

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments.....	-			-
Current Assets				
Trade Receivables	-			-
Other Bank Balances.....	2,666			2,666
Non-current Liabilities				
Borrowings.....	500,000			500,000
Current Liabilities				
Trade Payables	11,693,546			11,693,546

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk list all such risks as applicable>. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

Credit risk related to financial instruments

Credit risk from balances with banks and financial institutions is managed by Treasury in accordance with the Company's policy. Investments of surplus funds are made only by investment them in mutual funds. Hence the company is not exposed to any credit risk in this respect.

LIQUIDITY RISK**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial liabilities				
31-Mar-20				
Trade Payable.....	62,077	980,574	10,712,354	-
Total	62,077	980,574	10,712,354	-
31-Mar-19				
Trade Payable.....	63,856	917,336	10,712,354	-
Total	63,856	917,336	10,712,354	-

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 risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Note No. 15 - Fair Value Measurement

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Value		Fair value as at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Financial assets				
Investments.....	-	-	-	-
Trade Receivables	-	-	-	-
Other Bank Balances.....	2,666	2,666	2,666	2,666
Total financial assets	2,666	2,666	2,666	2,666
Financial liabilities				
Trade Payable	11,755,006	11,693,546	11,755,006	11,693,546
Total financial liabilities..	11,755,006	11,693,546	11,755,006	11,693,546

The management assessed that Investment in cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2020:
(Amount in)

		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Date of Valuation			Total
Financial assets				
<u>Assets measured at Fair Value:</u>				
Investments		-	-	-
Trade Receivables		-	-	-
Other Bank Balances.....		-	2,666	2,666
Total		-	2,666	2,666
Financial liabilities				
<u>Liabilities measured at fair value:</u>				
Trade Payable		-	11,755,006	11,755,006
Total		-	11,755,006	11,755,006

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Date of Valuation			Total
Financial assets				
<u>Assets measured at Fair Value:</u>				
Investments		-	-	-
Trade Receivables		-	-	-
Other Bank Balances.....		-	2,666	2,666
Total		-	2,666	2,666
Financial liabilities				
<u>Liabilities measured at fair value:</u>				
Trade Payable		-	11,693,546	11,693,546
Total		-	11,693,546	11,693,546

There have been no transfers between Level 1 and Level 2 during year ended 31 March 2020.

Note No. 16: Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

In terms of our report attached

For Giriraj Bang & Company
Chartered Accountants
Firm registration No.: 129434W

Giriraj Bang
Proprietor
Membership No.: 111840

Place : Mumbai
Date : 24th April, 2020

For and on behalf of Board of Directors

Feroze Baria
Director (DIN 03315262)

Ulhas Bhosale
Director (DIN 08217384)

Place : Mumbai
Date : 24th April, 2020