

INDEPENDENT AUDITOR'S REPORT

To the Members of Palava Dwellers Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Palava Dwellers Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019 and the statement of profit and loss, statement of changes in equity 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity and its 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (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 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.

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 Director'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 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 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, changes in equity 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 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, the Board of Directors 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 the Board of Directors 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 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.



We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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, 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".



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- (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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer 37 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.
3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W



Anita Somani

Partner

Membership No.: 124118

UDIN: 19124118AAAACJ8470



Place: Mumbai

Date: August 09, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PALAVA DWELLERS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2019.

Auditor's Responsibilities for the Audit of the 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 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 internal financial controls with reference to financial statements 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.



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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.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W



Anita Somani

Partner

Membership No.: 124118

UDIN: 19124118AAAACJ8470



Place: Mumbai

Date: August 09, 2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PALAVA DWELLERS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2019.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (in the nature of fixed assets). Accordingly, the provision stated in paragraph 3(i)(c) of the Order is not applicable to the Company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii)(a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.



- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii.
 - (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 generally regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax and cess and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for the period of more than six months from the date they became payable.

 - (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

- ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised including temporary deployment of surplus funds. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.



- x. During the course of our audit, 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 material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us, sine the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3 (xi) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties are in compliance with the provisions of the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standard.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of fully convertible debentures during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised. The Company has not made any preferential allotment of shares during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.



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xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3(xvi) of the Order are not applicable to the Company.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

A Somani

Anita Somani

Partner

Membership No.: 124118

UDIN: 19124118AAAACJ8470



Place: Mumbai

Date: August 09, 2019

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PALAVA DWELLERS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2019.

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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 with reference to financial statements of **PALAVA DWELLERS PRIVATE LIMITED** ("the Company") as of March 31, 2019 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) (the "Guidance Note"). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain



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reasonable assurance about whether internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 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 financial statements.



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Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W



Anita Somani

Partner

Membership No.: 124118

UDIN: 19124118AAAACJ8470



Place: Mumbai

Date: August 09, 2019



BUILDING A BETTER LIFE

PALAVA DWELLERS PRIVATE LIMITED

**ANNUAL ACCOUNTS
2018-19**

PALAVA DWELLERS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2019

	Notes	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	3,333.24	3,617.51
Other Intangible Assets	3	-	-
Financial Assets			
Investments	4	4,801.00	8,300.00
Other Financial Assets	5	211.69	3.01
Non-Current Tax Assets (Net)	6	29.95	-
Deferred Tax Assets (Net)	33	2,046.68	344.50
Total Non-Current Assets		10,422.56	12,265.02
Current Assets			
Inventories	7	3,39,137.46	2,28,489.27
Financial Assets			
Investments	8	50,002.59	-
Loans	9	79,614.39	53,351.05
Trade Receivables	10	2,975.59	3,095.46
Cash and Cash Equivalents	11	4,382.60	2,953.59
Bank Balances other than Cash and Cash Equivalents	12	26.06	-
Other Financial Assets	13	14,218.67	17,878.45
Other Current Assets	14	57,632.39	86,921.66
Total Current Assets		5,47,989.75	3,92,689.48
Total Assets		5,58,412.31	4,04,954.50
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	1.00	1.00
Optionally Convertible Debentures	16	48,872.00	-
Other Equity			
Retained Earnings	17	17,595.58	5,011.84
Other Reserves	18	4,631.27	7,905.63
Equity attributable to owners of the Company		71,099.85	12,918.47
Non-Current Liabilities			
Financial Liabilities			
Trade Payables	19		
Due to Micro and Small Enterprises		5.46	0.49
Due to Others		52.08	55.80
Provisions	20	1.41	1.16
Total Non-Current Liabilities		58.95	57.45
Current Liabilities			
Financial Liabilities			
Borrowings	21	1,41,313.66	1,43,612.19
Trade Payables	22		
Due to Micro and Small Enterprises		195.22	69.25
Due to Others		34,292.20	38,284.07
Other Financial Liabilities	23	1,626.80	3,383.33
Provisions	24	0.88	0.82
Other Current Liabilities	25	3,09,824.75	2,06,544.85
Current Tax Liabilities (net)	26	-	84.07
Total Current Liabilities		4,87,253.51	3,91,978.58
Total Liabilities		4,87,312.46	3,92,036.03
Total Equity and Liabilities		5,58,412.31	4,04,954.50



As per our attached report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors of
Palava Dwellers Private Limited



Anita Somani
(Partner)
Membership No. 124118



Shaishav Dharia
Director
DIN - 06405078



Piyush Vora
Director
DIN - 00018995

Place : Mumbai
Date:

04 AUG 2019



PALAVA DWELLERS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Notes	For the year ended 31-March-19 ₹ in Lakhs	For the Period 14-March-17 to 31-March-18 ₹ in Lakhs
I INCOME			
Revenue From Operations	27	1,50,698.03	98,368.43
Other Income	28	569.38	219.49
Total Income		1,51,267.41	98,587.92
II EXPENSES			
Cost of Projects	29	95,853.23	62,863.10
Employee Benefits Expense	30	9,287.30	4,298.87
Finance Costs (Net)	31	4,308.31	763.24
Depreciation Expenses	2 & 3	1,636.54	1,750.94
Other Expenses	32	14,507.96	8,364.31
Total Expense		1,25,593.34	78,040.46
III Profit Before Tax (I-II)		25,674.07	20,547.46
IV Tax Expense:	33		
Current Tax		(4,787.41)	(7,974.50)
Deferred Tax		(2,982.92)	344.50
Total Tax Expense		(7,770.33)	(7,630.00)
V Profit for the year(III-IV)		17,903.74	12,917.46
VI Other Comprehensive Income (OCI)			
A Items that will not be reclassified to Statement of Profit and Loss		-	-
B Items that will be reclassified to Statement of Profit and Loss		-	-
Total Other Comprehensive Income (Net of Tax) (A+B)		-	-
VII Total Comprehensive Income for the year (V + VI)		17,903.74	12,917.46
VIII Earnings per Equity Share (in ₹) :			
(Face value of ₹ 10 per Equity Share)	46		
Basic		1,78,987.87	1,29,174.60
Diluted		1,61,751.33	1,29,174.60
Significant Accounting Policies	1		
See accompanying notes to the Financial Statements	1 -52		



As per our attached report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

A Somani

Anita Somani
(Partner)
Membership No. 124118



Place : Mumbai
Date: 09 AUG 2019

For and on behalf of the Board of Directors of
Palava Dwellers Private Limited

SD

Shaishav Dharia
Director
DIN - 06405078

Piyush

Piyush Vora
Director
DIN - 00018995



PALAVA DWELLERS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(A) EQUITY SHARE CAPITAL

Particulars	₹ in Lakhs	
	As at 31-March-19	As at 31-March-18
Balance at the beginning of the reporting year	1.00	1.00
Changes in Equity Share Capital during the year*	0.00	-
Balance at the end of the reporting year	1.00	1.00

*Represent ₹ 100

(B) OPTIONALLY CONVERTIBLE DEBENTURES

Particulars	₹ in Lakhs	
	As at 31-March-19	As at 31-March-18
Balance at the beginning of the reporting year	-	-
Add: Issue during the year	49,872.00	-
Less: Repayment during the year	(1,000.00)	-
Balance at the end of the reporting year	48,872.00	-

(C) OTHER EQUITY

Particulars	₹ in Lakhs		
	Reserves and Surplus		Total
	Debiture Redemption Reserve	Security Premium	Retained Earnings
As at 1-April -18	7,905.63	-	5,011.84
Profit for the year	-	-	17,903.74
Increase during the Year	-	128.00	-
Total Comprehensive Income for the year	-	128.00	17,903.74
Transfer to retained earnings	(3,402.36)	-	3,402.36
Effect of adoption of Ind AS 115 (Refer Note 49)	-	-	(8,722.36)
As at 31-March-19	4,503.27	128.00	17,595.58
			22,226.85

Particulars	₹ in Lakhs		
	Reserves and Surplus		Total
	Debiture Redemption Reserve	Security Premium	Retained Earnings
As at 14-March-17	-	-	-
Profit for the period	7,905.63	-	5,011.84
Increase during the period	-	-	-
Total Comprehensive Income for the period	7,905.63	-	5,011.84
As at 31-March-18	7,905.63	-	5,011.84
			12,917.47



As per our attached report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Anita Somani

Anita Somani
(Partner)
Membership No. 124118



For and on behalf of the Board of Directors of
Palava Dwellers Private Limited

Shalishav Dharlia

Shalishav Dharlia
Director
DIN - 06405078

Piyush Vora

Piyush Vora
Director
DIN - 00018995

Place : Mumbai
Date: 09 AUG 2019

PALAVA DWELLERS PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

	For the year ended 31-March-19 ₹ in Lakhs	For the Period 14-March-17 to 31-March-18 ₹ in Lakhs
(A) Operating Activities		
Profit/(Loss) Before Tax	25,674.07	20,547.47
Adjustments for :		
Depreciation, impairment and Amortisation Expense	1,636.54	1,750.94
Sundry Balances written back	(296.19)	(182.11)
Profit on Sale of Investments	(41.42)	-
Net Unrealised Foreign Exchange Loss/(Gain)	2.90	2.98
Dividend on Current Investments	(10.61)	-
Interest Income	(13,599.64)	(18,708.43)
Finance Costs	21,040.09	19,805.54
Operating Profit Before Working Capital Changes	<u>34,405.74</u>	<u>23,216.39</u>
Working Capital Adjustments:		
Decrease in Trade and Other Receivables	38,032.90	37,220.41
Increase in Inventories	(76,503.60)	(28,456.01)
Increase in Trade and Other Payables	42,204.36	9,248.31
Cash Generated from Operating Activities	<u>38,139.40</u>	<u>41,229.10</u>
Income Tax Paid	(4,901.43)	(7,890.43)
Net Cash Flows from Operating Activities	<u>33,237.97</u>	<u>33,338.67</u>
(B) Investing Activities		
Purchase of Property, Plant And Equipment	(1,352.46)	(554.40)
Purchase of Non Current Investment	(1.00)	-
Sale of Non Current Investment	3,541.42	-
Purchase of Current Investment	(49,991.98)	-
Investment in Fixed Deposit with Banks (net)	(234.74)	547.21
Loans Given	(26,263.34)	(23,171.04)
Interest Received	18,224.64	18,942.54
Net Cash Flows used in Investing Activities	<u>(56,077.46)</u>	<u>(4,235.69)</u>
(C) Financing Activities		
Proceed from Issue of Share capital	128.00	1.00
Proceeds from Issue of Optionally Convertible Debentures	49,872.00	-
Repayment of Part of Optionally Convertible Debentures	(1,000.00)	-
Proceeds from Borrowings	1,85,119.64	1,49,219.82
Repayment of Borrowings	(1,87,418.17)	(1,57,858.56)
Finance Costs paid	(22,432.97)	(22,778.36)
Net Cash Flows From/(Used in) Financing Activities	<u>24,268.50</u>	<u>(31,416.10)</u>
(D) Net Decrease in Cash and Cash equivalents (A+B+C) :	1,429.01	(2,313.12)
Add: Cash and cash equivalents at the beginning of the year/ period	2,953.59	-
Add: Cash and cash equivalents on account of Slump Sale (Refer note 50)	-	5,266.71
Cash and Cash Equivalents at year/ period end	<u>4,382.60</u>	<u>2,953.59</u>

Notes:

- Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act.
- Reconciliation of liabilities arising from financing activities under Ind AS 7

	31-Mar-19	31-Mar-18
Borrowings		
Balance at the beginning of the year/ period	1,43,612.19	-
Additions on account of Slump Sale (Refer note 50)	-	1,52,412.62
Cash flow	(173.64)	(8,638.74)
Non cash changes	(2,124.89)	(161.69)
Balance at the end of the year/ period	<u>1,41,313.66</u>	<u>1,43,612.19</u>



As per our attached report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

A Somani

Anita Somani
(Partner)
Membership No. 124118

Place : Mumbai
Date:

09 AUG 2019



For and on behalf of the Board of Directors of
Palava Dwellers Private Limited

S.D.

Shaishav Dharia
Director
DIN - 06405078

P.V.

Piyush Vora
Director
DIN - 00018995



1 SIGNIFICANT ACCOUNTING POLICIES

A Company's Background

Palava Dwellers Private Limited (the Company) is a private limited company domiciled and incorporated in India under the Companies Act, 2013 vide CIN - U70100MH2017PTC292371. The Company's registered office is located at 412, Floor - 4, 17 G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai - 400001. The Company is primarily engaged in the business of real estate development.

B Significant Accounting Policies

I Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for land as classified under Property, Plant and Equipment and certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the year presented in these financial statements.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except when otherwise indicated.

II Summary of Significant Accounting Policies

1 Current and Non-Current Classification

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:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle.
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) 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:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) 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 respectively.

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

The operating cycle of the Company's real estate operations varies from project to project depending on the size of the project, type of development, project complexities and related approvals. Assets and Liabilities are classified into current and non-current based on the operating cycle.

2 Property, Plant and Equipment

i. Recognition and measurement

All property, plant and equipment except freehold land are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisitions of the items. Cost includes freight, duties, taxes, borrowing cost and incidental expenses related to the acquisition and installation of the asset.

ii. Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Company. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

iii. Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.



iv. Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as specified in Schedule II of Companies Act, 2013 except for Site/Sales Offices and Sample Flats wherein the estimated useful lives is determined by the management.

Sr. No.	Property, Plant and Equipment	Useful life (Years)
i)	Plant and Equipment	8 to 15
ii)	Office Equipment	5
iii)	Computers	
	(a) Servers and networks	6
	(b) End user devices, such as, desktops, laptops, etc.	3
iv)	Furniture and Fixtures	10
v)	Vehicles	
	(a) Motor cycles, scooters and other mopeds	10
	(b) Motor buses, motor lorries, motor cars and motor taxis	8

Depreciation on assets sold during the year is charged to the Statement of Profit and Loss up to the month preceding the month of sale.

3 **Intangible Assets**

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

The useful lives of intangible assets are assessed as either finite or indefinite. Currently the company has not identified any Intangible assets to have indefinite life.

Intangible assets with finite lives are amortised over the useful economic life. The useful economic life and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets are amortized proportionately over a period of five years or over the useful economic life of the assets as determined by the management, whichever is lower.

Intangible assets with indefinite life are tested for impairment annually. Impairment losses, if any, are recognised in Statement of Profit and Loss.

4 **Inventories**

Stock of Building Materials and Traded Goods is valued at lower of cost and net realizable value. Cost is generally ascertained on weighted average basis.

Completed unsold inventory is valued at lower of Cost and Net Realizable Value.

Cost for this purpose includes cost of land, shares with occupancy rights, Transferrable Development Rights, premium for development rights, borrowing costs, construction / development cost and other overheads incidental to the projects undertaken.

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

5 **Provisions and Contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure of contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

6 **Impairment of Non-Financial Assets (excluding Inventories, Investment Properties and Deferred Tax Assets)**

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows or cash generating units ('CGUs').



7 Financial Instruments

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

Financial Assets

Initial recognition and measurement

The Company classifies its financial assets in the following measurement categories,

- those to be measured subsequently at fair value (either through OCI, or through profit or loss)
- those measured at amortised cost

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment if any, are recognised in the statement of profit or loss.

Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company does not have any debt instruments which meets the criteria for measuring the debt instrument at FVTOCI.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'Accounting Mismatch'). The Company has not designated any debt instrument at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments, except investments in fellow subsidiaries and associates are measured at FVTPL. The Company may make an irrevocable election on initial recognition to present in OCI any subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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



Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debts instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. For trade receivables, the Company is not exposed to any credit risk as the possession of residential and commercial units is handed over to the buyer only after all the installments are recovered.

For financial assets carried at amortised cost, the carrying amount is reduced and the amount of the loss is recognised in the statement of profit and loss. Interest income on such financial assets continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased. If a write-off is later recovered, the recovery is credited to finance costs.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial guarantee contracts

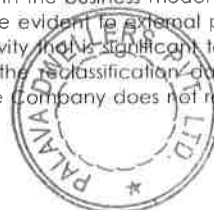
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of Financial Liabilities

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

Reclassification of Financial Assets and Financial Liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

8 Fair Value Measurement

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

- i) in the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

- i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

9 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.

10 Revenue Recognition

The Company has adopted Ind AS 115 'Revenue from contracts with customers' ('Ind AS 115') using modified retrospective approach, with effect from 1st April, 2018. Refer Note 49 for the transition related disclosure.

The Company has applied five step model as set out in Ind AS 115 to recognise revenue in this Financial Statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- b. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on the conditions in the contracts with customers.

The specific revenue recognition criteria are described below:

(I) Income from Property Development

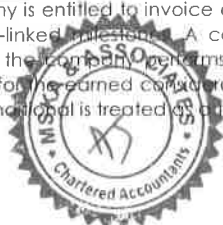
The Company has determined that the existing terms of the contract with customers does not meet the criteria to recognise revenue over a period of time. Revenue is recognized at point in time with respect to contracts for sale of residential and commercial units as and when the control is passed on to the customers which is linked to the application and receipt of occupancy certificate.

The Company provides rebates to the customers. Rebates are adjusted against customer dues and the revenue to be recognized. To estimate the variable consideration for the expected future rebates the company uses the "most-likely amount" method or "expected value method".

(II) Contract Balances

Contract Assets

The Company is entitled to invoice customers for construction of residential and commercial properties based on achieving a series of construction-linked milestones. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the payment is due, a contract asset is recognized for the earned consideration that is conditional. Any receivable which represents the Company's right to the consideration that is unconditional is treated as a trade receivable.



Contract Liabilities

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

(III) Sale of Materials, Land and Development Rights

Revenue is recognized at point in time with respect to contracts for sale of Materials, Land and Development Rights as and when the control is passed on to the customers.

(IV) Interest Income

For all debt instruments measured at amortised cost, Interest income is recorded using the effective interest rate (EIR).

(V) Rental Income

Rental income arising from operating leases is accounted over the lease terms.

(VI) Dividends

Revenue is recognised when the Company's right to receive the payment is established.

11 Foreign Currency Translation**Initial Recognition**

Foreign currency transactions during the period / year are recorded in the reporting currency at the exchange rates prevailing on the date of the transaction.

Conversion

Foreign currencies denominated monetary items are translated into rupees at the closing rates of exchange prevailing at the date of the balance sheet. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising, on the settlement of monetary items or reporting of monetary items at the end of the period / year at closing rates, at rates different from those at which they were initially recorded during the period / year, or reported in previous financial statements, are recognized as income or as expenses in the period / year in which they arise.

12 Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period

Deferred Tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for all deductible and taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

The Company recognizes deferred tax liabilities for all taxable temporary differences except those associated with the investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

Presentation of Current and Deferred Tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in OCI, in which case, the current and deferred tax income/ expense are recognized in OCI. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.



13 Borrowing Costs

Borrowing costs that are directly attributable to long term project development activities are inventorised / capitalized as part of project cost.

Borrowing costs are inventorised / capitalised as part of project cost when the activities that are necessary to prepare the inventory / asset for its intended use or sale are in progress. Borrowing costs are suspended from inventorisation / capitalisation when development work on the project is interrupted for extended periods and there is no imminent certainty of recommencement of work.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease.

Lease arrangements where the Company has substantially all the risks and rewards of ownership associated with the leased assets are classified as finance leases. Assets taken on finance lease are recognised as fixed assets. An equivalent liability is created at the inception of the lease. Rentals paid are apportioned between finance charge and principal based on the implicit rate of return in the contract. The finance charge is shown as interest expense and the principal amount is reduced from the liability. The assets acquired under the lease are depreciated over the lease term, which is reflective of the useful life of the leased asset.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis unless payment to the lessor are structured to increase in the line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership asset associated with the leased assets are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease receipts are recognised as an income in the Statement of Profit and Loss on a straight line basis unless receipt from the lessee are structured to increase in the line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

15 Retirement and Other Employee Benefits

Retirement and other Employee benefits are accounted in accordance with Ind AS 19 – Employee Benefits.

a) Defined Contribution Plan

The Company contributes to a recognised provident fund for all its employees. Contributions are recognised as an expense when employees have rendered services entitling them to such benefits.

b) Gratuity (Defined Benefit Scheme)

The Company provides for its gratuity liability based on actuarial valuation as at the balance sheet date which is carried out by an independent actuary using the Projected Unit Credit Method. Actuarial gains and losses are recognised in full in the OCI for the period in which they occur.

16 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year (after deducting preference dividends and attributable taxes) attributable equity share holders to by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and consolidation of equity shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year (after deducting preference dividends and attributable taxes) attributable equity share holders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares



PALAVA DWELLERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

2 Property, Plant and Equipment

₹ In Lakhs

Particulars	Plant and Equipment	Office Equipments	Computers	Furniture and Fixtures	Vehicles	Total
Gross Carrying Amount						
As at 14-March-17	-	-	-	-	-	-
Adjustment on accounts of Merger (Refer Note 50)	9,268.85	218.22	584.59	150.49	12.08	10,234.23
Additions	541.45	12.95	-	-	-	554.40
Disposals / Adjustments	(24.10)	-	(203.71)	-	-	(227.81)
As at 31-March-18	9,786.20	231.17	380.88	150.49	12.08	10,560.82
Additions	1,309.13	8.39	34.88	0.06	-	1,352.46
Disposals / Adjustments	-	(8.46)	-	(0.71)	-	(9.17)
As at 31-March-19	11,095.33	231.10	415.76	149.84	12.08	11,904.11
Depreciation and Impairment						
As at 14-March-17	-	-	-	-	-	-
Adjustment on accounts of Merger (Refer Note 50)	4,542.27	158.68	584.42	126.57	11.50	5,423.44
Depreciation charge for the period	1,712.83	28.46	0.05	6.19	0.15	1,747.68
Disposals / Adjustments	(24.10)	-	(203.71)	-	-	(227.81)
As at 31-March-18	6,231.00	187.14	380.76	132.76	11.65	6,943.31
Depreciation charge for the year	1,592.51	19.99	19.32	4.60	0.12	1,636.54
Disposals / Adjustments	-	(8.30)	-	(0.68)	-	(8.98)
As at 31-March-19	7,823.51	198.83	400.08	136.68	11.77	8,570.87
Net Carrying Amount						
As at 31-March-19	3,271.82	32.27	15.68	13.16	0.31	3,333.24
As at 31-March-18	3,555.20	44.03	0.12	17.73	0.43	3,617.51

3 Other Intangible Assets - Computer Software

Particulars	₹ In Lakhs
Gross Carrying Amount	
As at 14-March-17	-
Adjustment on accounts of Merger (Refer Note 50)	71.56
As at 31-March-18	71.56
Additions	-
As at 31-March-19	71.56
Depreciation and Impairment	
As at 14-March-17	-
Adjustment on accounts of Merger (Refer Note 50)	68.30
Depreciation charge for the period	3.26
As at 31-March-18	71.56
Depreciation charge for the year	-
As at 31-March-19	71.56
Net Carrying Amount	
As at 31-March-19	-
As at 31-March-18	-



		As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
4 Non-Current Investments	Face value (₹) (unless otherwise stated)	Amount	Amount
(i) Unquoted Equity Shares, Fully paid up, at cost Subsidiary			
Palava Institute of Advanced Skill Training			
Numbers	10	10,000	-
Amount		1.00	-
(ii) Unquoted Non Convertible Debentures, Fully paid up, at unamortised cost Holding Company			
Macrotech Developers Ltd.			
Numbers	100	-	35,00,000
Amount		-	3,500.00
(iii) Unquoted Optionally Convertible Redeemable Debentures, Fully paid up, at unamortised cost Others			
Bellissimo Healthy Construction and Developers Pvt.			
Numbers	10	4,80,00,000	4,80,00,000
Amount		4,800.00	4,800.00
Total		4,801.00	8,300.00
Aggregate value of unquoted Investments		4,801.00	8,300.00
5 Other Non-Current Financial Assets			
Fixed Deposits with maturity of more than 12 months		211.69	3.01
Total		211.69	3.01
6 Non-Current Tax Assets (Net)			
Advance Income Tax (Net of Provisions)		29.95	-
Total		29.95	-
7 Inventories			
Building Materials		1,973.42	1,959.95
Land and Property Development Work-in-Progress (Refer Note 43)		3,05,793.62	2,26,529.32
Finished Stock		31,370.42	-
Total		3,39,137.46	2,28,489.27
The carrying amount of Inventories of ₹ 3,39,137.46 lakhs, (31-March-18 ₹ 2,28,489.27 lakhs) are charged as securities against specific borrowings.			
8 Current Investments	Face value (₹)	Amount	Amount
(i) Unquoted Optionally Convertible Redeemable Debentures, Fully paid up, at unamortised cost Ultimate Holding Company			
Sambhavnath Infrabuild and Farms Pvt. Ltd.			
Numbers	100	5,00,00,000	-
Amount		50,000.00	-
(ii) Quoted Investment at fair value through Profit and Loss Investment In Mutual Fund:			
Reliance Liquid Fund			
Numbers	1,000	169	-
Amount		2.59	-
		50,002.59	-
Aggregate cost of quoted investments		2.59	-
Aggregate market value of quoted investments		2.59	-
Aggregate value of unquoted investments		50,000.00	-
9 Current Loans			
Unsecured considered good unless otherwise stated			
Considered Good			
Loan/ Intercorporate Deposits to Related Parties :			
Holding Company		30,390.97	46,164.43
Fellow Subsidiaries		21,024.88	7,186.62
Other Loans		28,198.54	-
Total		79,614.39	53,351.05
10 Trade Receivables (net) (Refer Note 49)			
Unsecured			
Considered good		2,975.59	3,095.46
Total		2,975.59	3,095.46

(i) Trade Receivables amounting to ₹ 2,975.59 Lakhs (31-March-18 ₹ 3,095.46 Lakhs) are charged as securities against specific borrowings.

(ii) Trade Receivables are settled net of advances, as per agreed terms.



	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
11 Cash and Cash Equivalents		
Balances with Banks	4,250.45	2,949.35
Fixed Deposits with original maturity of less than 3 months	-	3.80
Cash on hand	132.15	0.44
Total	4,382.60	2,953.59
12 Bank Balances other than Cash and Cash Equivalents		
Fixed Deposits with maturity more than 3 months and less than 12 Months	26.06	-
Total	26.06	-
13 Other Current Financial Assets		
Interest Receivables	12,201.29	16,826.29
Deposit	0.25	0.25
Accrued Revenue (Refer Note 49)	2,017.13	930.28
Other Receivables	-	121.63
Total	14,218.67	17,878.45
14 Other Current Assets		
Advances/ Deposits to :		
Suppliers and Contractors	31,717.17	75,458.20
Prepaid Expenses	9,931.40	5,884.40
Indirect Tax Receivables	11,032.58	5,579.06
Other Receivables	4,951.24	-
Total	57,632.39	86,921.66
15 Equity Share capital		
(A) Authorised Share Capital		
Equity Shares of ₹ 10 each		
Numbers		
Balance at the beginning of the year	10,000	10,000
Increase during the year	10,000	-
Balance at the end of the year	20,000	10,000
Amount		
Balance at the beginning of the year	1.00	1.00
Increase during the year	1.00	-
Balance at the end of the year	2.00	1.00
(B) Issued Equity Capital		
Equity Shares of ₹ 10 each, Issued, subscribed and fully paid up		
Numbers		
Balance at the beginning of the year	10,000	10,000
Increase / (Decrease) during the year	10	-
Balance at the end of the year	10,010	10,000
Amount		
Balance at the beginning of the year	1.00	1.00
Increase / (Decrease) during the year*	0.00	-
Balance at the end of the year	1.00	1.00
*Represent ₹ 100		
(C) Terms/ rights attached to Equity Shares		
The company has only one class of equity shares having par value of ₹ 10 (Previous Year: ₹ 10) per share. Each Shareholder is entitled for one vote per share. The Shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders.		
In the event of liquidation, the Shareholders will be entitled in proportion to the number of Equity Shares held by them to receive remaining assets of the Company, after distribution of all preferential amounts.		
(D) Shares held by holding company		
Equity Shares		
Macrotech Developers Ltd. (alongwith nominees)		
Numbers	9,813	9,800
Amount	0.98	0.98
(E) Details of shareholders holding more than 5% shares in the company		
Equity Shares		
Macrotech Developers Ltd. (alongwith nominees)		
Numbers	9,813	9,800
% of Holding	98.03%	98.00%
16 Optionally Convertible Debentures (Refer Note 47)		
Balance at the beginning of the year/ period	-	-
Add: Issue during the year	49,872.00	-
Less: Repayment during the year	(1,000.00)	-
Balance at the end of the year/ period	48,872.00	-
17 Retained Earnings		
Balance at the beginning of the year/ period	5,011.84	-
Increase/ (decrease) during the year	21,306.10	5,011.84
Effect of adoption of Ind AS115 (Refer Note 49)	(8,722.36)	-
Balance at the end of the year/ period	17,595.58	5,011.84



	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ In Lakhs
18 Other Reserves		
(i) Debenture Redemption Reserve		
Balance at the beginning of the year/ period	7,905.63	-
Increase/ (decrease) during the year	<u>(3,402.36)</u>	<u>7,905.63</u>
Balance at the end of the year/ period	<u>4,503.27</u>	<u>7,905.63</u>
(ii) Security Premium on Equity Shares		
Balance at the beginning of the year/ period	-	-
Increase/ (decrease) during the year	<u>128.00</u>	<u>-</u>
Balance at the end of the year/ period	<u>128.00</u>	<u>-</u>

The nature and purpose of other reserves:

(i) Debenture Redemption Reserve - Reserve created for an amount which is equal to 25% of the value of debentures outstanding.

(ii) Security Premium - Amount of Share capital issued on premium.

19 Non-Current Trade Payables

Due to Micro and Small Enterprises (Refer Note 45)	5.46	0.49
Due to Others		
Trade Payables	<u>52.08</u>	<u>55.80</u>
Total	<u>57.54</u>	<u>56.29</u>

Terms and conditions:

Trade payables are normally settled as per agreed terms.

20 Non-Current Provisions

Employee Benefits

Gratuity	1.41	1.16
Total	<u>1.41</u>	<u>1.16</u>

21 Current Borrowings

Secured :

i) Non Convertible Debentures	18,013.04	31,460.81
ii) Term Loans from		
Banks	38,183.36	29,119.17
Others	72,949.71	83,032.21
iii) Cash Credit / Overdraft Facility	12,167.55	-
Total Borrowings	<u>1,41,313.66</u>	<u>1,43,612.19</u>

Disclosure of details of security, terms of repayments and rate of interest of borrowings : *

Secured :

i) Non Convertible Debentures

1 Secured by

(i) Charge on land at Palava	18,123.86	31,622.50
(ii) Charge over Project receivables		
(iii) Personal Guarantee by Managing Director of Holding Company		
(iv) Corporate Guarantee of the Holding Company		

2 Terms of Repayment:

Repayment starting from June-2018 ending on December-2020.

3 Effective rate of Interest:

Rate of Interest - 12% p.a.

ii) Term Loan from Banks

1 Secured by

(i) Charge on land at Palava	39,500.00	30,304.48
(ii) Charge over Project receivables		
(iii) Personal Guarantee by Managing Director of Holding Company		
(iv) Corporate Guarantee of the Holding Company		

2 Terms of Repayment:

Repayment starting from November-2019 ending on February 2025

3 Effective rate of Interest:

Rate of Interest range from 11.95% to 12.65% p.a.

iii) Term Loan from Financial Institutions

1 Secured by :

(i) Charge on land at Palava	73,647.03	83,915.34
(ii) Charge over Project receivables		
(iii) Personal Guarantee by Managing Director of Holding Company		
(iv) Corporate Guarantee of the Holding Company		

2 Terms of Repayment :

Repayment starting from July-2019 ending on December-2022.

3 Effective Rate of Interest :

Rate of Interest - 12.35% p.a.



PALAVA DWELLERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
iv) Cash Credit/ Overdraft Facility	<u>12,167.55</u>	<u>-</u>
1 Secured by :		
(i) Charge on land at Palava		
(ii) Charge over Project receivables		
(iii) Personal Guarantee by Managing Director of Holding Company		
(iv) Corporate Guarantee of the Holding Company		
2 Terms of Repayment :		
Repayment on demand		
3 Effective Rate of Interest :		
Rate of Interest ranging from 11.25 % - 12.65% p.a.		
 * Above note represents outstanding borrowings before netting off loan issue cost.		
22 Current Trade Payables		
Due to Micro and Small Enterprises (Refer Note 45)	195.22	69.25
Due to Related Parties (Refer Note 38)	21,817.07	27,369.27
Due to Others	12,475.13	10,914.80
Total	<u>34,487.42</u>	<u>38,353.32</u>
23 Other Current Financial Liabilities		
Interest accrued but not due	925.49	2,318.37
Other Payables		
Employee payables	0.70	4.76
Payable on cancellation of Allotted Units	320.08	922.83
Other Liabilities	380.53	137.37
Total	<u>1,626.80</u>	<u>3,383.33</u>
24 Current Provisions		
Employee Benefits (Refer Note 36)		
Gratuity	0.88	0.82
Total	<u>0.88</u>	<u>0.82</u>
25 Other Current Liabilities		
Advances Received from Customers (Refer Note 49)	2,41,079.73	1,87,619.75
Duties and Taxes	721.46	565.47
Accrued Liability and Society Payables	68,023.56	18,359.63
Total	<u>3,09,824.75</u>	<u>2,06,544.85</u>
26 Current Tax Liabilities (net)		
Income Tax (Net)	<u>-</u>	<u>84.07</u>
	<u>-</u>	<u>84.07</u>



PALAVA DWELLERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

	For the year ended 31-March-19 ₹ in Lakhs	For the Period 14-March-17 to 31-March-18 ₹ in Lakhs
27 Revenue From Operations		
Income From Property Development (Refer Note 49)	1,50,169.95	92,445.25
Sale of Building Materials	35.50	2,449.30
Other Operating Revenue	492.58	3,473.88
Total	1,50,698.03	98,368.43
28 Other Income		
Profit on Sale of Investments	41.42	-
Dividend on Current Investments	10.61	-
Sundry Balances/ excess provision written back (Net)	296.19	182.11
Miscellaneous Income	221.16	37.38
Total	569.38	219.49
29 Cost of Projects		
Opening Stock		
Land and Property Development - Work-in-Progress	2,26,529.32	-
Effect of adoption of Ind AS115 (Refer Note 49)	34,144.59	-
Add: On account of Merger (Refer Note 50)		
Land and Property Development - Work-in-Progress	-	1,97,651.93
Add: Expenditure during the year/ period :		
Land, Construction and Development Cost	1,28,480.15	65,950.60
Consumption of Building Materials (Net)	28,254.11	17,383.55
Purchase of Building Material	37.83	2,451.46
Other Construction Expenses	6,623.60	2,113.33
Overheads Allocated	9,233.88	3,908.80
	4,33,303.48	2,89,459.67
Less: Others	(286.21)	(67.25)
	4,33,017.27	2,89,392.42
Less: Closing Stock		
Land and Property Development - Work-in-Progress	(3,05,793.62)	(2,26,529.32)
Finished Units	(31,370.42)	-
	(3,37,164.04)	(2,26,529.32)
Total	95,853.23	62,863.10
30 Employee Benefits Expense		
Salaries and Wages*	15,535.59	7,694.39
Contribution to Provident and Other Funds	2.25	2.64
	15,537.84	7,697.03
Less: Allocated to Cost of Projects	(6,250.54)	(3,398.16)
Total	9,287.30	4,298.87
* Salary and wages are reimbursable to fellow subsidiary/ holding company.	14,320.58	6,238.92
31 Finance Costs (Net)		
Interest Expense on Borrowings and others	20,412.18	19,147.29
Other Borrowing Costs	627.91	658.25
	21,040.09	19,805.54
Less : Interest Income on:		
Loans / Advances/ Deposits	(13,599.64)	(18,708.43)
Customers Overdues	(408.47)	(333.87)
	(14,008.11)	(19,042.30)
Less: Allocated to Cost of Projects	(2,723.67)	-
Total	4,308.31	763.24



	For the year ended 31-March-19 ₹ in Lakhs	For the Period 14-March-17 to 31-March-18 ₹ in Lakhs
32 Other Expenses		
Rent	32.89	-
Rates and Taxes	95.17	157.87
Insurance	3.73	13.28
Postage / Telephone / Internet	15.77	7.99
Printing and Stationery	92.20	88.11
Legal and Professional	619.99	330.27
Payments to the Auditors as :		
Audit Fees	34.50	34.00
Taxation Matters	5.00	5.00
Other services	3.00	3.00
Advertisement, Consultancy and Exhibitions	3,353.68	1,429.00
Brokerage	2,561.62	1,513.61
Business Promotion	1,211.67	616.92
Travelling and Conveyance	15.83	2.10
Infrastructure and Facility Expenses	3,633.10	1,861.72
Bank Charges	-	18.13
Donation	270.50	1,200.19
Corporate Social Responsibility Expenses (Refer note 48)	-	100.00
Foreign Exchange Fluctuation Loss	11.08	1.56
Stamp Duty and Registration	2,725.83	1,216.68
Miscellaneous Expenses	81.97	275.52
	14,767.63	8,874.95
Less: Allocated to Cost of Projects	(259.67)	(510.64)
Total	14,507.96	8,364.31

33 Tax Expense:

a. The major components of income tax expense for the year/ period ended 31-March-19 and 31-March-18 are:

Current Income Tax:

Current Tax on profits for the year/ period	(5,161.36)	(7,974.50)
Adjustments in respect of current Income Tax of previous year/ period	373.95	-
Total	(4,787.41)	(7,974.50)

Deferred Tax (expense)/benefit

Origination and reversal of temporary differences	(2,901.14)	344.50
Adjustments in respect of deferred tax of previous year/ period	(81.78)	-
Total	(2,982.92)	344.50

Income Tax (Expense)/ Benefit reported in the Statement of Profit and Loss	(7,770.33)	(7,630.00)
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b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rates :

Accounting Profit before Tax	25,674.07	20,547.46
Income tax expense calculated at corporate tax rate	(8,246.77)	(7,111.06)

Tax effect of adjustment to reconcile expected income tax expense reported

Income tax expense:

Item for which Tax at Special Rate

	-	-
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Non-deductible expenses for tax purposes:

Donation /CSR Expenses	(47.26)	(224.98)
Other non-deductible expenses	244.53	(51.14)
Interest on Income tax	(13.00)	(242.82)
Adjustments in respect of current income tax of previous year/ period	373.95	-
Adjustments in respect of deferred tax of previous year/ period	(81.78)	-
Total	(7,770.33)	(7,630.00)



PALAVA DWELLERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

For the year ended	For the Period
31-March-19	14-March-17 to
₹ In Lakhs	31-March-18
₹ In Lakhs	₹ In Lakhs

c. The major components of Deferred Tax Assets arising on account of temporary differences are as follows:

Deferred Tax relates to the following:

Accelerated depreciation for tax purposes
 Effect of adoption of Ind AS 115 (Refer Note 49)
 Others
Net Deferred Tax Assets

Balance Sheet	
As at	As at
31-March-19	31-March-18
₹ In Lakhs	₹ In Lakhs
602.98	344.50
1,462.90	-
(19.20)	-
2,046.68	344.50

Accelerated depreciation for tax purposes
 Others
 Effect of adoption of Ind AS 115 (Refer Note 49)
Deferred Tax (Expense)/ Benefit

Profit and Loss	
For the year ended	For the Period
31-March-19	14-March-17 to
₹ In Lakhs	31-March-18
₹ In Lakhs	₹ In Lakhs
258.48	344.50
(19.20)	-
(3,222.20)	-
(2,982.92)	344.50

d. Reconciliation of Deferred Tax Assets (Net) :

Opening balance
 Tax income/(expense) during the year recognised in profit or loss
 Effect of adoption of Ind AS115 *
Closing balance

Balance Sheet	
As at	As at
31-March-19	31-March-18
₹ In Lakhs	₹ In Lakhs
344.50	-
(2,982.92)	344.50
4,685.10	-
2,046.68	344.50

* Deferred tax recognised as adjustment to retained earning on account of adoption of Ind AS115.



34 Category wise classification of Financial Instruments

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Financial Assets carried at amortised cost		
Investments	4,801.00	8,300.00
Loans	79,614.39	53,351.05
Trade receivable	2,975.59	3,095.46
Cash and cash equivalents	4,382.60	2,953.59
Bank Balances other than Cash and Cash Equivalents	26.06	-
Other Financial Assets	14,430.36	17,881.46
Total Financial Assets carried at amortised cost	1,06,230.00	85,581.56
Financial Liabilities carried at amortised cost		
Trade Payables	34,544.96	38,409.61
Borrowings	1,41,313.66	1,43,612.19
Other Financial Liabilities	1,626.80	3,383.33
Total Financial Liabilities carried at amortised cost	1,77,485.42	1,85,405.13

35 Significant Accounting Judgements, Estimates And Assumptions

Judgements, Estimates And Assumptions

The Company makes certain judgement, estimates and assumptions regarding the future. Actual experience may differ from these judgements, estimates and assumptions. The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Useful Life Of Property, Plant And Equipments

The Company determines the estimated useful life of its Property, Plant and Equipments for calculating depreciation. The estimate is determined after considering the expected usage of the assets or physical wear and tear. The company periodically review the estimated useful life and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

(ii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. An assessment is carried to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(iii) Income Taxes

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(iv) Defined Benefit Plans (Gratuity And Leave Encashment Benefits)

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

(v) Fair Value Measurement Of Financial Instruments

When the fair values of financials 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 discounted cash flow model, which involve various judgements and assumptions.

(vi) Valuation of Inventories

The determination of net realisable value of inventory includes estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost.

36 Gratuity Obligation

	31-March-19 ₹ in Lakhs	31-March-18 ₹ in Lakhs
Gratuity	2.29	1.98
Total	2.29	1.98

The Company has a funded defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age.



The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Gratuity Benefits

Changes in the present value of the defined benefit obligation are, as follows

	Obligation ₹ in Lakhs	Fund ₹ in Lakhs	Total ₹ in Lakhs
Addition in defined benefit obligation on account of merger (refer note 50)	9.79	(7.60)	2.19
Current service cost	0.84	-	0.84
Interest cost	0.72	(0.56)	0.16
Past service cost	0.05	-	0.05
Return on plan assets	-	0.03	0.03
Actuarial gain and losses	(0.37)	-	(0.37)
Experience adjustments	(0.50)	-	(0.50)
Benefits paid	(0.42)	-	(0.42)
Defined benefit obligation / fund at 31-March-18	10.11	(8.13)	1.98
Current service cost	0.82	-	0.82
Interest cost	0.76	(0.64)	0.12
Transfer in/(out) obligation	18.61	(20.01)	(1.40)
Return on plan assets	-	0.02	0.02
Actuarial gain and losses	0.11	-	0.11
Experience adjustments	0.64	-	0.64
Defined benefit obligation / fund at 31-March-19	31.05	(28.76)	2.29

The principal assumptions used in determining gratuity and leave encashment obligations for the Company's plans are shown below:

	31-March-19 %	31-March-18 %
Discount rate:		
Gratuity	7.60%	7.70%
Future salary increases:		
Gratuity	5.00%	5.00%

Mortality Rate : Indian Assured Lives Mortality (2006-08) Table

	₹ in Lakhs	
	31-March-19	31-March-18
Impact on defined benefit obligation		
Sensitivity Level		
Impact of 0.5% Increase of Discount Rate		
Gratuity	30.52	9.62
Impact of 0.5% Decrease of Discount Rate		
Gratuity	31.64	10.64
Sensitivity Level		
Impact of 0.5% Increase of Future Salaries		
Gratuity	31.65	10.66
Impact of 0.5% Decrease of Future Salaries		
Gratuity	30.52	9.60

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	31-March-19 ₹ in lakhs	31-March-18 ₹ in lakhs
Within the next 12 months (next annual reporting period)	0.81	0.36
Between 2 and 5 years	1.68	1.60
Between 5 and 10 years	5.48	5.05
Beyond 10 years	-	-
Total expected payments	7.97	7.01

The average duration of the defined benefit plan obligation w.r.t. gratuity at the end of the reporting year is 3.92 years (31-March-18: 11.72 years).



37 Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

The Company has taken commercial premises under cancelable Operating Lease. The Lease Agreement is usually renewable by mutual consent on mutually agreeable terms.

The company has paid ₹ 32.99 lakhs (31 March 2018: Nil) during the year towards minimum lease payment in respect of cancellable operating lease.

b. Contingent liabilities

Claims against the company not acknowledged as debts	31-March-19 ₹ in Lakhs	31-March-18 ₹ in Lakhs
Disputed Demands of Customers	467.40	1.31
Corporate Guarantees Given *	1,96,100.64	-

* Represents outstanding amount of the loan / balances guaranteed.

(1) The Contingent Liabilities exclude undeterminable outcome of pending litigations.

(2) The Company has assessed that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

38 Related party transactions

Information on Related Party Transactions as required by Ind AS 24 "Related Party Disclosures".

A. List of other related parties:

(As identified by the management), unless otherwise stated

I Person having Control or joint control or significant influence

- 1 Mangal Prabhat Lodha (MPL)
- 2 Abhishek Lodha Son

II Close family members of person having Control

- 1 Manjula Lodha Wife
- 2 Vinti Lodha Son's wife.

III Ultimate Holding Company

Sambhavnath Infrabuild and Farms Pvt. Ltd.

IV Holding Company

Macrotech Developers Ltd. (formerly known as Lodha Developers Ltd.)

V Subsidiaries/ Fellow Subsidiaries of Ultimate Holding Company / Holding Company (with whom the Company had transactions)

- 1 Adinath Builders Pvt. Ltd. (Merged with Macrotech Developers Ltd. w.e.f. 30-November-18)
- 2 Bellissimo Developers Thane Pvt. Ltd. (Formerly known as Ishwer Realty And Technologies Pvt. Ltd.) (Merged with Macrotech Developers Ltd. w.e.f. 30-November-18)
- 3 Bellissimo Mahavir Associates Dwellers Pvt. Ltd.
- 4 Cowtown Infotech Services Pvt. Ltd. (formerly known as Cowtown Land Development Pvt. Ltd.)
- 5 Hi-Class Buildcon Pvt. Ltd. (Merged with Macrotech Developers Ltd. w.e.f. 12-September-18)
- 6 MMR Social Buildcon Pvt. Ltd. (Formerly known as Lodha Buildcon Pvt. Ltd.)
- 7 Mandip Finserve Pvt. Ltd. (from 30-December-17)
- 8 Muzcovite Constructions Pvt. Ltd. (w.e.f 30-December-2017) (Merged with Cowtown Infotech Services Pvt. Ltd. w.e.f 13-July-18)
- 9 Cowtown Software Design Pvt. Ltd. (Formerly known as Nabhiraja Software Design Pvt. Ltd.)
- 10 Odeon Theatres and Properties Pvt. Ltd.
- 11 Palava Institute of Advanced Skill Training (w.e.f. 14-January-19)
- 12 Sanathnagar Enterprises Ltd.
- 13 Shreeniwas Cotton Mills Ltd. (Merged with Macrotech Developers Ltd. w.e.f. 28-July-19)
- 14 Simtools Pvt. Ltd.
- 15 Bellissimo Properties Development Pvt. Ltd. (Formerly known as Lodha Properties Development Pvt. Ltd.)
- 16 Roselabs Finance Ltd.
- 17 National Standard (India) Ltd.
- 18 Bellissimo Construction and Developers Pvt. Ltd. (w.e.f. 1-February-19)
- 19 Lodha Developers International Ltd.

VI Others (Entities controlled by person having control or joint control (with whom the company had transactions))

- 1 Sitaben Shah Memorial Trust
- 2 Lodha Charitable Trust (Merged with Sitaben Shah Memorial Trust w.e.f. 24-January-18)
- 3 Bellissimo Healthy Constructions and Developers Pvt. Ltd.

VII Key Management Person (KMP)

- 1 Shaishav Dharía (Non-Executive Director)
- 2 Smita Ghag (Non-Executive Director) w.e.f. 14-June-18
- 3 Prakash Vaghela (Independent Director w.e.f. 14-June-18)
- 4 Piyush Vora (Non-Executive Director) w.e.f. 23-November-18
- 5 Vinod Shah (Independent Director) w.e.f. 23-November-18



B. Transactions during the year ended and Balances Outstanding with related parties are as follows:

(i) Outstanding Balances:

(₹ in Lakhs)

Sr. No.	Nature of Transactions	As on	Ultimate Holding Company/ Holding Company/ Subsidiaries/ Fellow Subsidiaries	Others
1	Loans given	31-March-19	51,415.85	-
		31-March-18	53,351.05	-
2	Investments	31-March-19	50,001.00	4,800.00
		31-March-18	3,500.00	4,800.00
3	Other Financial Assets	31-March-19	12,200.98	-
		31-March-18	16,826.29	-
4	Other Current Assets	31-March-19	31,286.47	-
		31-March-18	75,194.70	-
5	Trade Payables	31-March-19	21,817.07	-
		31-March-18	27,369.27	-
6	Other Financial Liabilities	31-March-19	229.33	-
		31-March-18	593.06	-
7	Guarantee taken	31-March-19	1,18,663.41	-
		31-March-18	61,926.98	-
8	Guarantee given	31-March-19	1,96,100.64	-
		31-March-18	-	-

(ii) Disclosure in respect of transactions with parties:

(₹ in Lakhs)

Sr No	Particulars	Relation	For the year ended 31-March-19	For the Period 14-March-17 to 31-March-18
1	Sale of Materials*			
	Macrotech Developers Ltd.	Holding Company	6.73	53.41
	Bellissimo Developers Thane Pvt. Ltd.	Fellow Subsidiary	-	0.12
	Adinath Builders Pvt. Ltd.	Fellow Subsidiary	-	393.31
	MMR Social Buildcon Pvt. Ltd.	Fellow Subsidiary	-	2,316.19
	Shreenivas Cotton Mills Ltd.	Fellow Subsidiary	-	0.73
2	Interest Income			
	Macrotech Developers Ltd.	Holding Company	7,740.38	6,401.22
	Cowtown Infotech Services Pvt. Ltd.	Fellow Subsidiary	5,816.25	1,692.01
	Hi-class Buildcon Pvt. Ltd.	Fellow Subsidiary	-	1,498.70
	Bellissimo Developers Thane Pvt. Ltd.	Fellow Subsidiary	-	147.90
	Macrotech Developers Ltd.	Fellow Subsidiary	-	-
3	Purchase of Trading and Building Materials *			
	Macrotech Developers Ltd.	Holding Company	199.38	43.97
	Cowtown Infotech Services Pvt. Ltd.	Fellow Subsidiary	29,815.09	9,213.87
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Ultimate Holding Company	108.60	293.05
	Shreenivas Cotton Mills Ltd.	Fellow Subsidiary	-	0.33
4	Purchase of Property, Plant and Equipment *			
	Macrotech Developers Ltd.	Holding Company	256.93	-
5	Land, Construction and Development Cost			
	Cowtown Infotech Services Pvt. Ltd.	Fellow Subsidiary	58,320.80	20,644.80
6	Donation/ Corporate Social Responsibility Expenses			
	Lodha Charitable Trust	Others	-	1,300.00
7	Legal and Professional Fees			
	Cowtown Infotech Services Pvt. Ltd.	Fellow Subsidiary	-	4.13
8	Interest Expenses			
	Cowtown Infotech Services Pvt. Ltd.	Fellow Subsidiary	-	501.51
	Simtools Pvt. Ltd.	Fellow Subsidiary	-	520.09
	Shreenivas Cotton Mills Ltd.	Fellow Subsidiary	-	115.28
	Cowtown Software Design Pvt. Ltd.	Fellow Subsidiary	-	97.47
9	Salary and Wages, Marketing Expenses Paid *			
	Macrotech Developers Ltd.	Holding Company	19,261.96	1,574.71
	Cowtown Software Design Pvt. Ltd.	Fellow Subsidiary	-	6,238.92
10	Infrastructure and Facility *			
	Cowtown Software Design Pvt. Ltd.	Fellow Subsidiary	3,150.45	2,023.14
11	Investments			
	Palava Institute of Advanced Skill Training	Subsidiary	1.00	-



12	Purchase of Debentures and Shares			
	Cowlown infotech Services Pvt. Ltd.	Fellow Subsidiary	50,000.00	-
13	Sale of Debentures			
	Macrotech Developers Ltd.	Holding Company	3,541.42	-
14	Loan /Inter-corporate Deposit Taken / (Returned)			
	Simtools Pvt. Ltd.	Fellow Subsidiary	-	(13,965.75)
15	Loan /Inter-corporate Deposit Given / (Returned)			
	Macrotech Developers Ltd.	Holding Company	(20,059.03)	46,164.42
	Bellissimo Construtions and Developers Pvt. Ltd.	Fellow Subsidiary	298.82	-
	Bellissimo Developers Thane Pvt. Ltd.	Fellow Subsidiary	-	4,152.46
	Cowlown Infotech Services Pvt. Ltd.	Fellow Subsidiary	(30,594.38)	2,900.87
	Muscovite Construtions Pvt. Ltd.	Fellow Subsidiary	-	17,099.93
	Roselabs Finance Ltd.	Fellow Subsidiary	407.78	-
	Sanathnagar Enterprises Ltd.	Fellow Subsidiary	1,592.87	-
16	Corporate Guarantee taken			
	Macrotech Developers Ltd.	Holding Company	35,000.00	85,000.00
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Ultimate Holding Company	50,000.00	-
17	Corporate Guarantee given			
	Lodha Developers International Ltd.	Fellow Subsidiary	1,96,100.64	-

* including taxes as applicable

C. **Controlling Shareholder and his Relatives:**

i) Outstanding Balances :

Sr.	Particulars	As on	₹ in Lakhs
1	Guarantee taken	31-March-19	1,92,310.44
		31-March-18	1,45,842.32

(ii) Disclosure in respect of transactions :

Sr. No.	Nature of Transactions	Particulars	For the year ended 31-March-19	For the Period 14-March-17 to 31-March-18
1	Guarantee taken	Mr. Abhishek Lodha	85,000.00	1,75,000.00

i) Terms and conditions of outstanding balances with related parties

a) Receivables from Related parties

The receivables from related parties arise mainly from sale transactions and services rendered and are received as per agreed terms. No provisions are held against receivables from related parties.

b) Payable to related parties

The payables to related parties arise mainly from purchase transactions and services received and are paid as per agreed terms.

c) Loans to related party

The loans to related parties are unsecured and receivable on demand bearing effective interest rate.

ii) Terms and conditions of transaction with related parties

The management is of the opinion that the transactions with related parties are done at arm's length.

39 Segment Information

For management purposes, the Company has only one reportable segments namely, Development of real estate property. The Board of Directors of the Company acts as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators. Company's performance as single segment is evaluated and measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis.

40 Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

41 Financial risk management objectives and policies

The Company's principal financial liabilities comprise mainly 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 loans and advances, trade and other receivables, cash and cash equivalents and Other balances with Bank.

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk, and
- Liquidity risk.

The Company has evolved a risk mitigation framework to identify, assess and mitigate financial risk in order to minimize potential adverse effects on the company's financial performance. There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated herein.



(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

(i) Interest rate risk

The Company is exposed to cash flow interest rate risk from long-term borrowings at variable rate. Currently the company has external borrowings (excluding short-term overdraft facilities) which are fixed and floating rate borrowings. The Company achieves the optimum interest rate profile by refinancing when the interest rates go down. However this does not protect Company entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

ii) Foreign currency risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

b) 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 (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less influence on the credit risk.

The Company has entered into contracts for the sale of residential and commercial units on an installment basis. The installments are specified in the contracts. The Company is exposed to credit risk in respect of installments due. However, the legal ownership of residential and commercial units are transferred to the buyer only after all the installments are recovered. In addition, installment dues are monitored on an ongoing basis with the result that the Company's exposure to credit risk is not significant. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the company's policy. The company limits its exposure to credit risk by only placing balances with local banks and international banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company is in the process of making necessary arrangement and expects to meet its financial commitments in a timely and cost-effective manner.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
AS at 31-March-19						
Borrowings*	12,167.55	-	12,650.00	1,17,871.00	750.00	1,43,438.55
Trade Payables	21,817.07	12,670.35	-	57.54	-	34,544.96
Other financial liabilities	321.56	1,254.95	40.77	9.52	-	1,626.80
	34,306.18	13,925.30	12,690.77	1,17,938.06	750.00	1,79,610.31
AS at 31-March-18						
Borrowings*	-	-	622.50	1,43,151.38	-	1,43,773.88
Trade Payables	27,369.27	10,984.05	-	56.29	-	38,409.61
Other financial liabilities**	2,854.66	3.43	104.77	420.47	-	3,383.33
	30,223.93	10,987.48	727.27	1,43,628.14	-	1,85,566.82

* Borrowings are stated before adjusting loan issue cost.

** Payable on Cancellation of allotted units liabilities included in Other financial liabilities are stated at nominal value.



42 Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to owners of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and Bank balances other than cash and cash equivalents.

	31-March-19	31-March-18
	₹ in Lakhs	₹ in Lakhs
Borrowings	1,41,313.66	1,43,612.19
Less: Cash and Cash Equivalents	(4,382.60)	(2,953.59)
Bank Balances other than Cash and Cash Equivalents	(26.06)	-
Net Debt	1,36,905.00	1,40,658.60
Equity Share Capital	1.00	1.00
Other Equity		
Retained Earnings	17,595.58	5,011.84
Other Reserves	4,631.27	7,905.63
Instruments entirely equity in nature	48,872.00	-
Total Capital	71,099.85	12,918.47
Capital and net Debt	2,08,004.85	1,53,577.07
Gearing ratio	65.8%	91.6%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

43 Land and Property Development Work-in-Progress includes :

- The acquisition of land which are pending conveyance is ₹ 3,835 Lakhs, (31-March-18 ₹ 1,730.57 Lakhs).
- ₹ 9,124 Lakhs (31-March-18 ₹ 4,481.98 Lakhs) representing land already acquired for which Memorandum of Understanding / consent letters are pending.
- ₹ Nil (31-March-18 ₹ 3,202.75 Lakhs) held in the name of Individuals and partnership firm under control, on behalf of the Company pending execution of conveyance.

44 Unhedged Foreign Currency exposures / Balances

Particulars	Currency	As at 31-March-19		As at 31-March-18	
		Amount	Foreign Currency	Amount	Foreign Currency
		(₹ in Lakhs)	(In Lakhs)	(₹ in Lakhs)	(in Lakhs)
ASSETS					
Advances to Vendor	USD	6.35	0.09	39.45	0.61
	EUR	-	-	232.93	3.36
	SGD	0.00	0.00	-	-
LIABILITIES					
Trade Payables	USD	121.28	1.75	48.59	0.75
	EUR	5.58	0.07	260.03	3.76
	SGD	18.41	0.36	0.89	0.02
	AED	15.34	0.81	-	-
	CNY	35.52	3.44	-	-



45 Details of dues to Micro, Small and Medium Enterprises :

The information has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding is given below:

Particulars	As at	
	31-March-19	31-March-18
Amount unpaid as at year end - Principal	200.68	69.74
Amount unpaid as at year end - Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
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 Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

46 Basic and Diluted Earnings per Equity Share:

Sr. No.	Particulars		For the year ended	
			31-March-19	14-March-17 to 31-March-18
	Basic earnings per share:			
(a)	Net Profit after Tax	(₹ in Lakhs)	17,903.74	12,917.46
(b)	Weighted average no. of Equity Shares outstanding during the year		10,003	10,000
(c)	Face Value of equity shares	(₹)	10	10
(d)	Basic Earnings Per Share	(₹)	1,78,987.87	1,29,174.60
	Diluted earnings per share:			
(a)	Adjusted Net Profit for the year after effect of Dilution		17,903.74	12,917.46
(b)	Weighted average no. of Equity Shares outstanding during the year		11,069	10,000
(c)	Face Value of equity shares		10	10
(d)	Diluted Earnings Per Share		1,61,751.33	1,29,174.60

47 During the year, the Company has issued 45,632 Series 'A' % Optionally Convertible Debentures (Series 'A' OCDs) having face value of ₹ 100,000 each and 4,240 Series 'B' % Optionally Convertible Debentures (Series 'B' OCDs) having face value of ₹ 100,000 each to the Investors. These Series A and Series B Debentures were issued at par.

In accordance with the Securities Subscription Agreement ('Agreement'), the Investor may exercise the Conversion Right with respect to

- Series A Debentures at any time until the expiry of its 8 years tenure from the date of issue
- Series B Debentures:

- (i) on the expiry of 2 (two) years from the Allotment Date, if there is increase in Investor Share as per terms of the agreement;
- (ii) at the end of the Tenure if there is no increase in Investor Share as per Clause (i) above

in the agreed ratio of 100 equity shares for each lot of 1281 Series A and Series B Debenture. Further, the Company has an option but not an obligation of early redemption of these Debentures. Accordingly, these Debentures have been classified as equity instrument. In the event such Conversion Right is not exercised with respect to Series A Debentures and Series B Debentures till end of the Tenure, then the outstanding Debentures shall stand converted into Equity Shares of the Company in the proportion provided under the Agreement on the last date of the Tenure.

48 Details of Corporate Social Responsibility Expenditure (CSR)

Particulars	₹ in Lakhs	
	31-March-19	31-March-18*
Gross Amount required to be spent for CSR Activity	410.95	-
Amount Spent during the year/ period	-	100.00

This being the first financials prepared by the Company (incorporated on 14-March-2017).

49 Disclosure under Ind AS 115 - Revenue from Contracts with Customers

Based on the contractual arrangements with the customers and legal framework where Company operates, Company satisfies the criteria with respect to recognition of revenue at point in time. Disclosures with respect to Ind AS 115 are as follows:

(a) Contract Assets and Contract Liabilities

Particulars	₹ in Lakhs	
	31-March-19	31-March-18
Trade receivables (Refer Note 10)	2,975.59	3,095.46
Contract Assets- Accrued revenue (Refer Note 13)	2,017.13	930.28
Contract Liabilities-Advance from customers (Refer Note 25)	2,41,079.73	1,87,619.75



PALAVA DWELLERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(b) Movement of Contract Liabilities

Particulars	₹ in Lakhs	
	As at	
	31-March-19	
Amounts included in contract liabilities at the beginning of the year \$	2,44,760.78	
Amount received during the year	1,46,488.90	
Performance obligations satisfied in current year #	(1,50,169.95)	
Amounts included in contract liabilities at the end of the year	2,41,079.73	

\$ Amount represent balance at the beginning after adopting Ind AS 115

Includes ₹ 1,05,334.48 lakhs recognised out of opening contract liabilities.

(c) Closing balances of assets recognised from costs incurred to obtain a contract with a customer

Particulars	₹ in Lakhs	
	As at	
	31-March-19	31-March-18
Closing balances of assets recognised	9,931.40	5,884.40
Amortisation recognised during the year/ period	5,287.45	2,730.29

(d) The transaction price of the remaining performance obligations as at 31-March-19 is ₹ 3,72,128.92 lakhs. The same is expected to be recognised within 1 to 4 years.

(e) The cumulative effect of the changes made to Company's financial statements as on 1-April- 2018 on account of adoption of new revenue standard are as follows:

Particulars	₹ in Lakhs		
	Balance as on 31-March-18	Adjustment due to new revenue standard	Balance as on 1-April-18
ASSETS			
Inventories	2,28,489.27	34,144.59	2,62,633.86
Financial Assets			
Trade Receivables	3,095.46	639.72	3,735.18
Other Financial Assets	17,878.45	6,660.61	24,539.06
Other Current Assets	86,921.66	2,288.66	89,210.32
EQUITY AND LIABILITIES			
Total Other Equity	5,011.84	(8,722.36)	(3,710.52)
Deferred Tax Liabilities/ (Assets)	(344.50)	(4,685.10)	(5,029.60)
Other Current Liabilities	2,06,544.85	57,141.03	2,63,685.88

(f) In accordance with the requirements of the new revenue standard, the disclosure of the impact of adoption on statement of profit and loss and balance sheet was as follows:

(i) Balance Sheet

Particulars	₹ in Lakhs		
	As at March 31, 2019		
	As Reported	Balances Without Adoption of new revenue standard	Effect of Change Increase / (Decrease)
ASSETS			
Non - Current Tax Assets	29.95	164.23	(134.28)
Deferred Tax Assets/ (Liabilities)	2,046.68	583.78	1,462.90
Inventories	3,39,137.46	2,59,391.20	79,746.26
Trade Receivables	2,975.59	3,626.26	(650.67)
Other Financial Assets	14,218.67	14,623.78	(405.11)
Other Current Assets	57,632.39	54,743.40	2,888.99
EQUITY AND LIABILITIES			
Total Other Equity	17,595.58	32,598.62	(15,003.04)
Other Current Liabilities	3,09,824.75	2,11,913.62	97,911.13



(ii) Statement of Profit and Loss

₹ in Lakhs

Particulars	For the year ended 31 March 2019		
	As Reported	Without Adoption of new revenue standard	Effect of Change Increase / (Decrease)
Revenue from Operations	1,50,698.03	1,58,818.24	(8,120.21)
Total expenses	1,25,593.34	1,30,970.94	(5,377.60)
Profit before tax	25,674.07	28,598.26	(2,924.19)
Profit for the Year	17,903.74	24,184.42	(6,280.68)

50 The members of the Board of Directors at their meeting held on 27-April-17 has approved the Composite Scheme of Amalgamation and Arrangement between Palava Dwellers Private Limited (Appointed date: 01-April-16) and Microtec Constructions Private Limited (Appointed date: 01-April-16) and Bellissimo Hi-Rise Builders Private Limited (Appointed date:01-April-16) and Lodha Estate Private Limited (Appointed date: 01-October-16) and Samvara Buildtech Private Limited (Appointed date: 31-March-17) and Lodha Developers Private Limited and the Company (Appointed date: 01-April-17) and their respective shareholders and creditors ('Scheme'), with an above mentioned Appointed dates and became effective from 16-February-2018, under Sections 232 read with section 230 of the Companies Act, 2013. Subsequently, Lodha Developers Limited has transferred the "Identified Business Undertaking" through Slump sale to the Company.

51 Standards (Including amendments) Issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Ind AS 116- Leases

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives..

The Company is currently evaluating the impact of this new standard on its financial statements and expects that the effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements

(c) Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

(d) Amendment to Ind AS 16 – Borrowing cost

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.



52 Previous period figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 10500000


Anifa Somani
(Partner)
Membership No. 124118



For and on behalf of the Board of Directors of
Palava Dwellers Private Limited


Shaishav Dharia
Director
DIN - 06405078


Piyush Vora
Director
DIN - 00018995



Place : Mumbai
Date:

09 AUG 2019