

Pearlite Real Properties Private Limited

Balance Sheet

as at March 31, 2020

(Currency in INR Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	252.83	623.95
Intangible Assets	4	1.48	-
Deferred Tax Assets (Net)	5	70.75	920.16
Income Tax Assets (Net)		569.47	163.83
Total Non-Current Assets		894.53	1,707.94
Current Assets			
Inventories	6	21,961.49	42,027.31
Financial Assets			
Investments	7	0.60	2,099.84
Trade Receivables	8	1,141.12	-
Cash and Cash Equivalents	9	2,465.88	9,470.94
Bank Balances other than above	10	325.00	325.00
Other Current Financial Assets	11	211.69	44.75
Other Current Non Financial Assets	12	1,994.82	4,600.21
Total Current Assets		28,100.60	58,568.05
TOTAL ASSETS		28,995.13	60,275.99
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	790.00	790.00
Other Equity		1,934.05	(2,172.26)
Total Equity		2,724.05	(1,382.26)
LIABILITIES			
Non-Current Liabilities			
Provisions	14	12.04	-
Total Non-Current Liabilities		12.04	-
Current Liabilities			
Financial Liabilities			
Borrowings	15	1,448.04	20,961.79
Trade Payables			
total outstanding dues of micro enterprises and small enterprises (refer note 38)		398.72	-
total outstanding dues of creditors other than micro enterprises and small enterprises		3,345.66	3,899.49
Other Current Financial Liabilities	16	12.89	-
Other Current Non Financial Liabilities	17	20,576.72	36,796.97
Provisions	18	9.61	-
Current Tax Liabilities (Net)		467.40	-
Total Current Liabilities		26,259.04	61,658.25
TOTAL EQUITY AND LIABILITIES		28,995.13	60,275.99

Significant Accounting Policies

2

The accompanying notes 1 to 41 form an integral part of these Financial Statements.

As per our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Pearlite Real Properties Private Limited
CIN:U45309MH2016PTC285479

ANIRUDDHA GODBOLE
Partner
Membership No: 105149

KARAN SINGH BOLARIA
Director
DIN: 006618461

AMANDEEP SINGH
Director
DIN: 07144214

Mumbai
May 08, 2020

Mumbai
May 08, 2020

Pearlite Real Properties Private Limited

Statement of Profit and Loss

for the year ended March 31, 2020

(Currency in INR Lakhs)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from Operations	19	52,339.71	25.76
Other Income	20	860.75	293.01
Total Income		53,200.46	318.77
EXPENSES			
Cost of Materials Consumed	21	24,546.12	37,262.86
Change in inventories of Construction Work-in-Progress	22	20,065.82	(37,262.86)
Employee Benefit Expenses	23	67.65	-
Finance Costs	24	882.82	290.44
Depreciation and Amortisation Expense	25	27.31	24.79
Other Expenses	26	1,934.28	1,998.81
Total Expenses		47,524.00	2,314.04
Profit / (Loss) before Tax		5,676.46	(1,995.27)
Tax Expense			
Current Tax	5(b)	720.17	-
Deferred Tax Charge/(Credit)	5(a)	849.55	(619.58)
Total Tax Expense		1,569.72	(619.58)
Profit / (Loss) for the Year		4,106.74	(1,375.69)
Other Comprehensive Expenses			
Items that will not be subsequently reclassified to profit or loss			
Remeasurements of the defined benefit plan		0.57	-
Tax on above	5(a)	(0.14)	-
Other Comprehensive Income for the Year (Net of Tax)		0.43	-
Total Comprehensive Income for the Year		4,106.31	(1,375.69)
Earnings Per Share (Amount in INR)			
Basic			
Class "A"	27	26.51	(8.98)
Class "B"	27	25.47	(8.63)
Significant Accounting Policies	2		

The accompanying notes 1 to 41 form an integral part of these Financial Statements.

As per our report of even date.

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Chartered Accountants
Firm's Registration No: 101248W/W-100022

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Mumbai
May 08, 2020

Mumbai
May 08, 2020

Pearlite Real Properties Private Limited

Statement of Cash Flows

for the year ended March 31, 2020

(Currency in INR Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from Operating Activities		
Profit / (Loss) before Tax	5,676.46	(1,995.27)
Adjustments for:		
Depreciation and amortisation expense	27.31	24.79
Finance costs	860.75	290.44
Interest income	(563.60)	(237.52)
Income from Investment measured at FVTPL	-	(32.29)
Profit on sale of investments (net)	(297.15)	(20.63)
Operating profit / (loss) before working capital changes	5,703.77	(1,970.48)
Changes in Working Capital:		
(Decrease) / Increase in Non Financial Liabilities	(18,449.88)	28,364.88
(Decrease) / Increase in Financial Liabilities	(124.56)	3,268.63
Decrease / (Increase) in Inventories	22,826.82	(31,385.28)
Decrease in Non Financial Assets	2,605.25	8,250.25
(Increase) in Financial Assets	(1,343.70)	-
	5,513.93	8,498.48
Taxes Paid (net)	(658.27)	(133.39)
Net cash flows generated from operating activities	10,559.43	6,394.61
Cash Flow from Investing Activities		
Acquisition of property, plant and equipment and intangible assets	(22.35)	(813.49)
Proceeds from sale of property, plant and equipment	171.68	-
Sale / (Purchase) of mutual funds (net)	2,396.39	(1,768.83)
Sale / (Purchase) of investments in fixed deposits (net)	-	(325.00)
Interest Received	599.24	205.29
Net cash flows generated from / (used in) investing activities	3,144.96	(2,702.03)
Cash Flow from financing activities		
Proceeds from Issue of equity share capital (net of issue expenses)	-	130.00
(Repayment of) / Proceeds from issue of Convertible Debentures (net)	(14,745.00)	2,470.00
Interest paid	(5,964.45)	(565.22)
Net cash flows (used in) / generated from financing activities	(20,709.45)	2,034.78
Net (Decrease) / Increase in Cash and Cash Equivalents	(7,005.06)	5,727.36
Cash and Cash Equivalents - Opening Balance (refer note 9)	9,470.94	3,743.58
Cash and Cash Equivalents - Closing Balance (refer note 9)	2,465.88	9,470.94

Pearlite Real Properties Private Limited

Statement of Cash Flows(Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

Notes :

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

(B) Reconciliation of Cash and Cash Equivalents as per the Statement of Cash Flows.

Cash and Cash Equivalents as per the above comprise of the following:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash and Cash Equivalents (refer Note 9)	2,465.88	9,470.94
Cash and Cash Equivalents as per Statement of Cash Flows	2,465.88	9,470.94

(d) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

Reconciliation of liabilities arising from financing activities				
Particular	As at April 01, 2019	Changes in Statement of Cash Flows	Non Cash Changes Fair Value Changes	As at March 31, 2020
Short-term borrowings	18,598.03	(14,745.00)	(2,415.70)	1,437.33

Reconciliation of liabilities arising from financing activities				
Particular	As at April 01, 2018	Changes in Statement of Cash Flows	Non Cash Changes Fair Value Changes	As at March 31, 2019
Short-term borrowings	15,783.61	2,470.00	344.42	18,598.03

The accompanying notes 1 to 41 form an integral part of these Financial Statements.

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Pearlite Real Properties Private Limited

CIN:U45309MH2016PTC285479

ANIRUDDHA GODBOLE

Partner

Membership No: 105149

Mumbai

May 08, 2020

KARAN SINGH BOLARIA

Director

DIN: 006618461

Mumbai

May 08, 2020

AMANDEEP SINGH

Director

DIN: 07144214

Pearlite Real Properties Private Limited

Statement of Changes in Equity

for the year ended March 31, 2020

(Currency in INR Lakhs)

a) Equity Share Capital

Particulars	As at	As At
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	790.00	725.00
Changes in equity share capital during the period	-	65.00
Changes in equity share capital during the period	<u>790.00</u>	<u>790.00</u>

b) Other Equity

Particulars	Reserve and Surplus		Total
	Securities Premium (refer Note (a) below)	Retained Earnings (refer Note (b) below)	
Balance as at April 01, 2018 (as previously reported)	-	(861.58)	(861.58)
Total Comprehensive Income:			
i) Loss for the year	-	(1,375.69)	(1,375.69)
Adjustments:			
i) Premium received on allotment of Shares	65.00	-	65.00
ii) Deferred Tax on Share issue Expenses	-	0.01	0.01
Balance as at March 31, 2019	<u>65.00</u>	<u>(2,237.26)</u>	<u>(2,172.26)</u>

Particulars	Reserve and Surplus		Total
	Securities Premium (refer Note (a) below)	Retained Earnings (refer Note (b) below)	
Balance as at April 01, 2019	65.00	(2,237.26)	(2,172.26)
i) Profit for the year	-	4,106.31	4,106.31
Balance as at March 31, 2020	<u>65.00</u>	<u>1,869.05</u>	<u>1,934.05</u>

b) Other Equity (Continued)

(a) Securities Premium

Securities premium reserve is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

The accompanying notes 1 to 41 form an integral part of these Financial Statements.

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Pearlite Real Properties Private Limited

CIN:U45309MH2016PTC285479

ANIRUDDHA GODBOLE

Partner

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Mumbai

May 08, 2020

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Director

DIN: 006618461

Mumbai

May 08, 2020

AMANDEEP SINGH

Director

DIN: 07144214

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements

for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1

I. Company Overview

- II. Pearlite Real Properties Private Limited (“the Company”) having CIN number U45309MH2016PTC285479 is engaged primarily in the business of real estate construction, development and other related activities. The Company is domiciled in India having its registered office at Godrej One, 5th Floor, Pirojshahnagar, Eastern Express Highway, Vikhroli, Mumbai - 400079.

II. Basis of preparation and measurement

a) Statement of compliance

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (“the Act”) and the relevant provisions and amendments, as applicable.

These financial statements of the Company for the year ended March 31, 2020 were authorised for issue by the company’s Board of Directors on May 08, 2020.

b) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakh, unless otherwise stated.

c) Basis of measurement

These financial statements have been prepared on historical cost basis except certain financial instruments and defined benefit plans measured at fair value.

d) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the use of estimates, judgements and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (Continued)

III. Basis of preparation and measurement (Continued)

d) Use of Estimates and Judgements (Continued)

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

- *Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition*

Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined.

- *Evaluation of Net realisable Value of Inventories*

Inventories comprising of construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the financial statements for the period in which such changes are determined.

- *Useful life and residual value of property, plant and equipment and intangible assets*

Useful lives of tangible and intangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II of the Act, they are based on internal technical evaluation. Assumptions are also made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised

The estimation of residual values of assets is based on management's judgement about the condition of such asset at the point of sale of asset.

- *Fair value measurement of financial instruments*

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these inputs could affect the fair value of financial instruments.

- *Recognition of deferred tax asset*

The deferred tax assets in respect of brought forward business losses is recognised based on reasonable certainty of the projected profitability, determined on the basis of approved business plans, to the extent that sufficient taxable income will be available to absorb the brought forward business losses.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (*Continued*)
for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (*Continued*)

II. Basis of preparation and measurement (*Continued*)

d) Use of Estimates and Judgements (*Continued*)

- *Recognition and measurement of defined benefit obligations*

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities. The period to maturity of the underlying securities correspond to the probable maturity of the post-employment benefit obligations.

- *Provisions and contingencies*

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

e) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (*Continued*)
for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (*Continued*)

II. Basis of preparation and measurement (*Continued*)

f) Operating cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realisation of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

III. Significant Accounting Policies

a) Property, plant and equipment and depreciation

i) *Recognition and Measurement:*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised from the financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment recognised in the statement of profit and loss in the year of occurrence.

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (*Continued*)

for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (*Continued*)

IV. Significant Accounting Policies

a) Property, plant and equipment and depreciation (*continued*)

iii) *Depreciation*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment of the Company has been provided using the written down value method based on the useful lives specified in Schedule II of the Act. The useful life of site equipment are estimated in the range of 7 years. These lives are different from those indicated in Schedule II and based on internal technical evaluation.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

b) Intangible assets and amortisation

i) *Recognition and measurement:*

Items of Intangible Assets are measured at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) *Amortisation*

Intangible assets are amortised over their estimated useful life using straight line method.

Intangible assets are amortised over a period of six years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (Continued)

III. Significant Accounting Policies

c) Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment loss is recognised for such excess amount. The impairment loss is recognised as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets, such reversal is not recognised.

d) Foreign currency transactions

Transactions in foreign currencies are translated into the Company's functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (Continued) for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (Continued)

III. Significant Accounting Policies (Continued)

e) Financial instruments

1. Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they originate.

The Company recognises financial assets (other than trade receivables and debt securities) when it becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, the financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through profit or loss
- Equity investments

Debt instruments at amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) 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 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 and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (Continued) for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (Continued)

III. Significant Accounting Policies (Continued)

e) Financial instruments (Continued)

1. Financial assets (Continued)

A debt investment is measured at FVOCI if it meets both of the following conditions or is not designated as at FVTPL:

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

Debt instruments at Fair Value through Profit or Loss

Debt instruments included in the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments other than investment in subsidiaries, joint ventures and associate are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) the Company has transferred substantially all the risks and rewards of the asset,
or
- (c) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (*Continued*)
for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (*Continued*)

III. Significant Accounting Policies (*Continued*)

e) Financial instruments (*Continued*)

Impairment of financial assets

The Company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

I. Financial Assets

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

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

Initial recognition and measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the 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.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (Continued) for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (Continued)

III. Significant Accounting Policies (Continued)

e) Financial instruments (Continued)

III 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 them on a net basis or to realise the assets and settle the liabilities simultaneously.

IV. Share Capital

Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

f) Compound financial instruments

Compound financial instruments issued by the company comprises of convertible debentures denominated in INR that can be converted to equity shares at the option of the holder, wherein the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound Financial instrument is initially recognised at the fair value of a similar liability that does not have equity conversion option. The Equity component is initially recognised as the difference between fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

g) Inventories

Inventories are valued as under:

a) Construction Work-in-Progress - At Lower of Cost and Net realizable value.

Construction Work-in-Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the LLP.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The inventory of construction work-in-progress is not written down below cost if flats /properties are expected to be sold at or above cost.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (Continued)

III. Significant Accounting Policies (Continued)

h) Revenue Recognition

Sale of Real Estate Developments

The Company derives revenues primarily from sale of properties comprising of residential units.

The Company recognises revenue when it determines the satisfaction of performance obligations at a point in time and subsequently over time when the Company has enforceable right for payment for performance completed to date.

In arrangements for sale of units the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative selling price. The price that is regularly charged for an item when sold separately is the best evidence of its selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities are recognised when there is billing in excess of revenue and advance received from customers.

Interest income

Interest income is accounted on an accrual basis at effective interest rate.

Forfeiture income are accounted based upon underlying agreements with customers and Commission income is accounted on an accrual basis.

i) Leases

Policy applicable before April 01, 2019

Finance Lease

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (Continued)

III. Significant Accounting Policies (Continued)

i) Leases (Continued)

Operating lease payments/income are recognised as an expense/income in the standalone statement of profit and loss on a straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease.

Policy applicable after April 01, 2019

At the inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the tight to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee

Right-of-Use Asset

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (*Continued*)
for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (*Continued*)

III. Significant Accounting Policies (*Continued*)

j) Employee benefits

Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans such as Provident Fund and Employee State Insurance Corporations are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income (OCI). Re-measurement, if any, are not reclassified to the standalone statement of profit and loss in subsequent period. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, based on the market yield on government securities as at the reporting date, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the standalone statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. They are therefore measured at the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method. The discount rates used are based on the market yields on government securities as at the reporting date. Re-measurements are recognised in the standalone statement of profit and loss in the period in which they arise.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (*Continued*) for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (*Continued*)

III. Significant Accounting Policies (*Continued*)

k) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (Continued)

III. Significant Accounting Policies (Continued)

k) Income tax (continued)

Minimum Alternative Tax (MAT)

MAT credit is recognised as a deferred tax asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

l) Borrowing Costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, pertaining to development of long-term projects, are transferred to Construction work-in-progress, as part of the cost of the projects upto the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the year which they are incurred.

m) Cash and Cash Equivalents

Cash and cash equivalents 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n) Earnings per share

Basic earnings per share is computed by dividing the profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax attributable to the equity shareholders as adjusted interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. If potential equity shares converted into equity shares increases the earnings per share, then they are treated as anti-dilutive and anti-dilutive earning per share is computed.

Pearlite Real Properties Private Limited

Notes forming part of financial Statements (Continued)
for the year ended March 31, 2020

(Currency in INR Lakhs)

Note 1 (Continued)

III. Significant Accounting Policies (Continued)

o) Provisions and contingent liabilities

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. The unwinding of the discount is recognised as finance cost

Contingent liabilities are disclosed in the notes. Contingent liabilities are disclosed for

- (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements. However, the same are disclosed in the financial statements where an inflow of economic benefit is probable.

p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

r) Standard issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

3 Property, Plant and Equipment

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK		
	As At April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible Assets										
Office Equipments	12.44	-	-	12.44	6.58	2.67	-	9.25	3.19	5.86
Site Equipments	767.93	-	309.55	458.38	196.79	193.00	137.87	251.92	206.46	571.14
Furniture and Fixtures	51.90	3.77	-	55.67	17.81	9.91	-	27.72	27.95	34.09
Computers	21.51	16.72	-	38.23	8.65	14.35	-	23.00	15.23	12.86
Total Tangible Assets	853.78	20.49	309.55	564.72	229.83	219.93	137.87	311.89	252.83	623.95

(a) Depreciation of INR 193.00 lakhs (Previous Year : INR 196.79 lakhs) on Site Equipments is capitalised to Construction Work-in-Progress.

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK		
	As At April 01, 2018	Additions during the year	Deductions during the year	As At March 31, 2019	As at April 01, 2018	For the Year	Deductions	As at March 31, 2019	As At March 31, 2019	As At March 31, 2018
Tangible Assets										
Office Equipments	9.21	3.23	-	12.44	3.23	3.35	-	6.58	5.86	5.98
Site Equipments	-	767.93	-	767.93	-	196.79	-	196.79	571.14	-
Furniture and Fixtures	31.08	20.82	-	51.90	5.02	12.79	-	17.81	34.09	26.06
Computers	-	21.51	-	21.51	-	8.65	-	8.65	12.86	-
Total Tangible Assets	40.29	813.49	-	853.78	8.25	221.58	-	229.83	623.95	32.04

(a) Depreciation of INR 196.79 lakhs (Previous Year : INR Nil) on Site Equipments is capitalised to Construction Work-in-Progress.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

5 Deferred Tax Assets (Net)

a) Amounts recognised in the Statement of Profit and Loss

Particulars	March 31,	March 31, 2019
Current Tax	720.17	-
Current Tax	720.17	-
Deferred Tax Charge/ (Credit)	849.55	619.58
Deferred Tax	849.55	619.58
Tax Expense for the year	1,569.72	619.58

b) Movement in Deferred Tax Balances

Particulars	Balance as at	Movement during the year			Balance as at
	April 01, 2019	Recognised in Profit or Loss	Recognised in Other Equity	Recognised in OCI	March 31, 2020
Deferred Tax Assets/ (Liabilities)					
Brought Forward Loss	890.82	(890.82)	-	-	(0.00)
Investments	(9.41)	9.40	-	-	(0.01)
Unabsorbed Depreciation	38.62	25.87	-	-	64.49
Share Issue expenses	0.12	-	-	-	0.12
Other Items	0.01	6.00	-	0.14	6.15
Deferred Tax Assets/ (Liabilities)	920.16	(849.55)	-	0.14	70.75

Particulars	Balance as at	Movement during the year			Balance as at
	April 01, 2018	Recognised in Profit or Loss	Recognised in Other Equity	Recognised in OCI	March 31, 2019
Deferred Tax Assets/ (Liabilities)					
Brought Forward Loss	299.60	591.22	-	-	890.82
Investments	(0.53)	(8.87)	-	(0.01)	(9.41)
Unabsorbed Depreciation	1.40	37.22	-	-	38.62
Share Issue expenses	0.11	-	0.01	-	0.12
Other Items	-	0.01	-	-	0.01
Deferred Tax Assets/ (Liabilities)	300.58	619.58	0.01	(0.01)	920.16

c) Reconciliation of Effective Tax Rate

Particulars	March 31,	March 31, 2019
Profit / (Loss) before Tax	5,676.46	(1,995.27)
Tax using the Company's domestic tax rate 25.17% (Previous Year: 29.12%)	1,428.76	(581.02)
Tax effect of:		
Rate difference	124.82	(39.34)
Other adjustments	16.14	0.78
Tax expense recognised	1,569.72	(619.58)

- d) The Company has recognised deferred tax asset to the extent that the same will be recoverable using the estimated future taxable income based on the approved business plans and budgets of the Company. The Company is expected to generate taxable income from the financial year ended March 31, 2020 onwards. The business losses can be carried forward for a period of 8 years as per the tax regulations and the Company expects to recover the losses.
- e) On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments during the current financial year .
- f) A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section and accordingly, the Company has decided to adopt the new tax rate has recognised provision for income tax on the basis of the rate prescribed in the said new section and re-measured its deferred tax assets/liabilities accordingly for the year ended March 31, 2020.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

March 31, 2020 March 31, 2019

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (*Continued*)

as at March 31, 2020

(Currency in INR Lakhs)

	-	-
	March 31, 2020	March 31, 2019
6 Inventories (Valued at lower of Cost and Net Realisable Value)		
Construction Work-in-Progress (refer Note 22)	21,961.49	42,027.31
	21,961.49	42,027.31
7 Investments		
Unquoted		
Investment in Mutual Funds carried at Fair Value through Profit or Loss	0.60	2,099.84
	0.60	2,099.84
Market Value of unquoted Investments		
Aggregate book value of Unquoted Investments and Market Value thereof	0.60	2,099.84
8 Trade Receivables		
<i>To parties other than related parties</i>		
Unsecured, Considered Good	1,141.12	-
	1,141.12	-
9 Cash and Cash Equivalents		
Balances With Banks (refer note 48)		
In Current Accounts	957.53	3,270.73
In Fixed Deposit Accounts with original maturity less than 3 months	1,473.82	6,200.00
Cheques on Hand	34.53	-
Cash On Hand	-	0.21
	2,465.88	9,470.94
10 Bank Balances other than above		
Balances With Banks (refer note 42)		
In Fixed Deposit Accounts with maturity more than 3 months but less than 12 months (refer Note below)	325.00	325.00
	325.00	325.00

(a) Fixed deposits held as margin money and lien marked for issuing bank guarantees amounting to INR 25 Lakhs (Previous Year: INR 25 Lakhs).

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

	March 31, 2020	March 31, 2019
11 Other Current Financial Assets		
Unsecured, Considered Good		
<i>To related parties</i>		
Receivable Against Capital Advance	202.58	-
<i>To parties other than related parties</i>		
Interest Accrued on Fixed Deposits	9.11	44.75
	<u>211.69</u>	<u>44.75</u>
12 Other Current Non Financial Assets		
Unsecured, Considered Good		
<i>To related parties</i>		
Advance to Related Parties	20.75	-
<i>To parties other than related parties</i>		
Balances with Government Authorities	260.33	812.09
Advance to Suppliers and Contractors	94.70	929.12
Prepayments	7.81	21.69
Advance for Development Rights	768.55	1,341.53
Others (includes deferred brokerage)	842.68	1,495.78
	<u>1,994.82</u>	<u>4,600.21</u>

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

March 31, 2020 March 31, 2019

13 Equity Share Capital

a) Authorised :

4,080,000 Class A Equity Shares of INR 10/- each (Previous Year : 4,080,000 Equity Shares of INR 10/- each)	408.00	408.00
3,920,000 Class B Equity Shares of INR 10/- each (Previous Year : 3,920,000 Equity Shares of INR 10/- each)	392.00	392.00

800.00	800.00
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b) Issued, Subscribed and Paid-Up:

4,029,000 Class A Equity Shares of INR 10/- each fully paid up (Previous Year: 4,029,000 Equity Shares of INR 10/- each fully paid up)	402.90	402.90
3,871,000 Class B Equity Shares of INR 10/- each fully paid up (Previous Year: 3,871,000 Equity Shares of INR 10/- each fully paid up)	387.10	387.10

790.00	790.00
---------------	---------------

c) Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity Shares : Class A	March 31, 2020		March 31, 2019	
	No. of Shares	INR (In Lakhs)	No. of Shares	INR (In Lakhs)
Outstanding at the beginning of the year	40,29,000	402.90	36,97,500	369.75
Issued during the year	-	-	3,31,500	33.15
Outstanding at the end of the year	40,29,000	402.90	40,29,000	402.90
Equity Shares : Class B				
Outstanding at the beginning of the year	38,71,000	387.10	35,52,500	355.25
Issued during the year	-	-	3,18,500	31.85
Outstanding at the end of the year	38,71,000	387.10	38,71,000	387.10

d) Shareholding Information

The Company is a Joint Venture and hence shareholding information with respect to holding company or its ultimate holding company and subsidiaries and associates thereto is not applicable.

e) Rights, preferences and restrictions attached to Equity shares

Equity Shares : Class A

Class A held by GRIP II Pte Ltd. are entitled for 80% voting rights and to have economic rights equal to 51% of the total economic rights of the Shareholders of the Company. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Equity Shares : Class B

Class B held by Godrej Properties Limited. are entitled for 20% voting rights and to have economic rights equal to 49% of the total economic rights of the Shareholders of the Company. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

f) Shareholders holding more than 5% shares in the Company:

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	%	No. of Shares	%
Equity shares				
GRIP II Pte Ltd. (Class A)	40,29,000	100.00%	40,29,000	100.00%
Godrej Properties Limited (Class B)	38,71,000	100.00%	38,71,000	100.00%

g) Shares reserved for Compulsorily Convertible Debentures:

12% (Previous Year: 17%) 150,000 Compulsorily convertible debentures (CCDs) of INR. 1,000 each allotted on May 22, 2018 shall be converted into equity shares at fair value determined as on conversion date, pursuant to the expiry of 5 years from the date of issue or such earlier period with unanimous consent of the shareholders of the Company.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

14 Provisions (Non-Current)

Particulars	March 31, 2020	March 31, 2019
Provision for Employee Benefits		
Gratuity	12.04	-
	<u>12.04</u>	<u>-</u>

15 Borrowings (Current)

Unsecured debentures

From Related parties

12% (Previous Year: 17%) Compulsory Convertible Debentures (CCD) [Class A and B] (refer Note (a) below)	1,448.04	20,961.79
	<u>1,448.04</u>	<u>20,961.79</u>

Note (a) :

76,500 (Previous Year: 828,495) Class A and 73,500 (Previous Year: 796,005) of Class B, 12% (Previous Year: 17%) Unsecured Compulsory Convertible Debentures (CCD) of INR 1,000/- each are convertible into equity shares within five years from the date of issue of debentures. No Class of CCDs shall be permitted to convert within 5 (five) years from the date of allotment unless unanimous consent of the shareholders is obtained by the Company. The holder shall give prior written notice to the Company at its registered office, of its election to convert the same and the date on which it proposes to convert the CCDs. The Conversion Notice must be given not less than 15 (fifteen) business days prior to the conversion date.

16 Other Current Financial Liabilities

	March 31, 2020	March 31, 2019
Employee Benefits Payable	12.68	-
Other Liabilities (reimbursement of expense)	0.21	-
	<u>12.89</u>	<u>-</u>

17 Other Current Non Financial Liabilities

To parties other than related parties

Statutory Dues (Includes Goods and Service tax and Tax deducted at Source)	133.47	603.98
Advances Received Against Sale of Flats	20,426.72	36,192.99
Other liabilities (includes forfeiture from customers)	16.53	-
	<u>20,576.72</u>	<u>36,796.97</u>

18 Provisions (Current)

Provision for Employee Benefits

Gratuity	1.46	-
Compensated Absences	8.15	-
	<u>9.61</u>	<u>-</u>

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

	March 31, 2020	March 31, 2019
19 Revenue from Operations		
Sale of Real Estate Developments	52,298.51	-
Sale of Services	14.47	-
Other Operating Revenues		
Other Income from Customers	26.73	25.76
	<u>52,339.71</u>	<u>25.76</u>
20 Other Income		
Interest Income	563.60	237.52
Income from Investment measured at FVTPL	-	32.29
Profit on Sale of Investments (net)	297.15	20.63
Commission Received	-	2.48
Miscellaneous Income	-	0.09
	<u>860.75</u>	<u>293.01</u>
21 Cost of Materials Consumed		
Land/ Development Right	-	16,290.00
Construction, Material and Labour	17,134.71	13,658.74
Architect Fees	27.00	19.67
Depreciation and Amortisation expense (refer note 25)	193.00	196.79
Finance Costs	4,614.55	5,680.79
Other Costs	2,576.86	1,416.87
	<u>24,546.12</u>	<u>37,262.86</u>
22 Change in inventories of Construction Work-in-Progress		
Inventories at the beginning of the year		
Construction Work-in-Progress	<u>42,027.31</u>	4,764.45
	42,027.31	4,764.45
Inventories at the end of the year		
Construction Work-in-Progress	<u>21,961.49</u>	42,027.31
	21,961.49	42,027.31
	<u>20,065.82</u>	<u>(37,262.86)</u>
23 Employee Benefits Expenses		
Salaries, Bonus and Allowances	49.41	-
Contribution to Provident and Other Funds	2.55	-
Staff Welfare Expenses	15.69	-
	<u>67.65</u>	<u>-</u>

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

	March 31, 2020	March 31, 2019
24 Finance Costs		
Interest Expense	5,475.30	3,273.40
Interest on Income Tax	22.07	-
Total Interest Expense	5,497.37	3,273.40
Other Borrowing costs	-	2,697.83
Total Finance Costs	5,497.37	5,971.23
Less : Transferred to Construction Work-in-Progress	(4,614.55)	(5,680.79)
Net Finance Costs	882.82	290.44
25 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	219.93	221.58
Amortisation of Intangible Assets	0.38	-
Less : Transferred to Construction Work-in-Progress	193.00	196.79
	27.31	24.79
26 Other Expenses		
Consultancy Charges	45.90	109.96
Rent	2.58	-
Rates and Taxes	6.33	-
Advertisement and Marketing Expense	1,403.64	1,161.86
Payment to Auditors (refer note 34)	4.43	1.66
Business Support Service	159.89	446.11
Travelling Expenses	9.01	58.59
Office Expenses	75.12	99.83
Other Expenses *	227.38	120.80
	1,934.28	1,998.81

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

27 Earnings Per Share

a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit / (loss) attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

	March 31, 2020	March 31, 2019
(i) Profit / (Loss) attributable to ordinary shareholders (basic)		
Profit / (Loss) for the Year, attributable to ordinary shareholders of the Company	4,106.74	(1,375.69)
	<u>4,106.74</u>	<u>(1,375.69)</u>
(ii) Weighted average number of ordinary shares (basic and diluted)		
Class "A" Weighted average number of equity shares at the beginning of the year	40,29,000	36,97,500
Add: Class "A" Weighted Average number of shares issued during the year	-	2,85,181
Class "A" Weighted average number of equity shares at the end of the year	<u>40,29,000</u>	<u>39,82,681</u>
Class "B" Weighted average number of equity shares at the beginning of the year	38,71,000	35,52,500
Add: Class "B" Weighted average number of equity shares issued during the year	-	2,73,997
Class "B" Weighted Average number of shares at the end of the year	<u>38,71,000</u>	<u>38,26,497</u>
	<u>79,00,000</u>	<u>78,09,178</u>
Basic Earning Per Share (INR) - Class A	26.51	(8.98)
Basic Earning Per Share (INR) - Class B	25.47	(8.63)

b) Diluted Earnings Per Share

The Compulsory Convertible Debentures will be converted into equity shares within five years from date of allotment or earlier based on the Fair value of the shares computed as on the date of conversion and other terms and conditions of the shareholders agreement. In view of the same, the dilutive shares cannot be computed as the conversion ratio is not available as at the balance sheet date.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

28 Employee Benefits

a) Defined Contribution Plans:

Contribution to Defined Contribution Plans recognised as an expense for the year are as under:

Particulars	March 31, 2020	March 31, 2019
Employer's Contribution to Provident Fund (Gross)	3.47	-

b) Defined Benefit Plans:

Contribution to Gratuity Fund (Non-Funded)

Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(i) Changes in present value of defined benefit obligation

Particulars	March 31, 2020	March 31, 2019
Effect of Liability Transfer in	12.34	-
Actuarial (gains) / losses on obligations - due to change in experience	1.17	-
Present value of obligation as at the end of the year	13.50	-

(ii) Amount recognised in the Balance Sheet

Particulars	March 31, 2020	March 31, 2019
Present value of obligation as at end of the year	13.50	-
Net obligation as at end of the year	13.50	-

(iii) Net gratuity cost for the year

Particulars	March 31, 2020	March 31, 2019
Recognised in the Standalone Statement of Profit and Loss		
Current Service Cost	13.50	-
Total	13.50	-
Recognised in Other Comprehensive Income (OCI)		
Actuarial (gains)/losses on obligations - due to change in experience	1.17	-
Less: Capitalise to Construction Work-in-Progress	0.60	-
Net Gratuity cost in Total Comprehensive Income (OCI)	0.57	-

The cumulative amount of actuarial (gains) / losses on obligations recognised in other comprehensive income as at March 31, 2020 is INR 0.57 Lakhs (Previous Year: INR Nil).

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

28 Employee Benefits (Continued)

b) Defined Benefit Plans: (Continued)

(iv) The Principal assumptions used in determining the present value of defined benefit obligation for the Company's plan are given below:

Particulars	March 31, 2020	March 31, 2019
Discount Rate	6.24%	-
Salary escalation rate	8%	-
Attrition Rate	17%	-
Mortality	Indian Assured Lives Mortality (2006-08)	-

(v) Sensitivity analysis

A quantitative sensitivity analysis on Defined Benefit Obligation for significant assumptions as at March 31, 2020 is shown below:

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(0.72)	0.81	-	-
Salary escalation rate (1% movement)	0.78	(0.72)	-	-
Attrition Rate (1% movement)	(0.20)	0.21	-	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

(vi) The expected future cash flows in respect of gratuity as at March 31, 2020 were as follows:

Maturity Analysis of Projected Benefit Obligation: From the Employer

Projected Benefits Payable in Future Years from the Reporting Date	March 31, 2020	March 31, 2019
1st Following Year	1.46	-
2nd Following Year	1.38	-
3rd Following Year	1.47	-
4th Following Year	1.75	-
5th Following Year	1.61	-
Sum of Years 6 to 10	5.86	-

Compensated absences

Compensated absences for employee benefits of INR 8.15 Lakhs (Previous Year: INR Nil) expected to be paid in exchange for the services recognised as an expense during the year.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

29 Financial instruments – Fair values and risk management

a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2020	Carrying amount		Total	Level 1	Fair value		Total
	Fair value through profit	Amortised Cost			Level 2	Level 3	
Financial Assets							
Non-Current							
Current							
Investments	0.60	-	0.60	0.60	-	-	0.60
Trade receivables	-	1,141.12	1,141.12	-	-	-	-
Cash and cash equivalents	-	2,465.88	2,465.88	-	-	-	-
Bank balances other than above	-	325.00	325.00	-	-	-	-
Other Current Financial Assets	-	211.69	211.69	-	-	-	-
	0.60	4,143.69	4,144.29	0.60	-	-	0.60
Financial Liabilities							
Current							
Borrowings	-	1,448.04	1,448.04	-	1,448.04	-	1,448.04
Trade Payables	-	3,744.38	3,744.38	-	-	-	-
Other Current Financial Liabilities	-	12.89	12.89	-	-	-	-
	-	5,205.31	5,205.31	-	1,448.04	-	1,448.04

March 31, 2019	Carrying amount		Total	Level 1	Fair value		Total
	Fair value through profit or	Amortised Cost			Level 2	Level 3	
Financial Assets							
Current							
Investments	2,099.84	-	2,099.84	2,099.84	-	-	2,099.84
Cash and cash equivalents	-	9,470.94	9,470.94	-	-	-	-
Bank Balances other than above	-	325.00	325.00	-	-	-	-
Other Current Financial Assets	-	44.75	44.75	-	-	-	-
	2,099.84	9,840.69	11,940.53	2,099.84	-	-	2,099.84
Financial Liabilities							
Current							
Borrowings	-	20,961.79	20,961.79	-	-	-	-
Trade Payables	-	3,899.49	3,899.49	-	-	-	-
	-	24,861.28	24,861.28	-	-	-	-

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

29 Financial instruments – Fair values and risk management (Continued)

b) Measurement of Fair Value

- (i) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (ii) The Company uses the Discounted Cash Flow valuation technique (in relation to borrowings measured at amortised cost and fair value through profit or loss) which involves determination of present value of expected receipt/ payment discounted using appropriate discounting rates. The fair value so determined are classified as Level 2.

c) Risk Management Framework

The Company's Board of Directors have overall responsibility for establishment and oversight of the Company's risk management framework. The Company follows the Godrej Properties Limited's (Co-Venturers) risk management policies to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The management monitors compliance of risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by Godrej Properties Limited's (Co-Venturers) internal audit team. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the management.

d) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit Risk
- (ii) Liquidity Risk
- (iii) Market Risk.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

29 Financial instruments – Fair values and risk management (Continued)

d) Financial risk management (Continued)

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

Trade Receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

The Company's credit risk with regard to trade receivable has a high degree of risk diversification due to the project having numerous customers.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

There is no impairment in respect of trade receivables during the year.

Investment in Mutual Funds

Investments in mutual funds are generally made in debt based funds with approved credit ratings as per the Investment policy of the Company.

Cash and Bank balances

Credit risk from cash and bank balances is managed by the Company's treasury department in accordance with the Company's policy.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

29 Financial instruments – Fair values and risk management (Continued)

d) Financial risk management (Continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt instruments. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date:

March 31, 2020	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Current						
Borrowings	1,448.04	191.57	191.57	-	-	-
Trade Payables	3,744.38	3,762.62	3,699.34	-	63.27	-
Other Current Financial Liabilities	12.89	12.89	12.89	-	-	-

March 31, 2019	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Current						
Borrowings	20,961.79	11,093.93	5,092.06	2,761.65	3,240.22	-
Trade Payables	3,899.49	3,899.49	3,899.49	-	-	-

(a) Borrowings represents the interest accrued on 12% Compulsory Convertible Debentures effective from April 2019 (Previous Year 17%).

(b) The contractual cash-flow of current year is presented based on undiscounted cash flows of financial liabilities based on the surplus cash flows available with the Company.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

29 Financial instruments – Fair values and risk management (Continued)

d) Financial risk management (Continued)

(iii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency Risk

Currency risk is not material, as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

Particulars	March 31, 2020	March 31, 2019
Financial liabilities		
Fixed rate instruments	1,448.04	16,245.00
	<u>1,448.04</u>	<u>16,245.00</u>
Financial assets		
Fixed rate instruments	1,798.82	6,525.00
	<u>1,798.82</u>	<u>6,525.00</u>

c) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

30 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'Net Debt to Equity'. For this purpose, net debt is defined as total borrowings (including interest accrued) less cash and bank balances and other current investments.

The Company's net debt to equity ratio is as follows:

Particulars	March 31, 2020	March 31, 2019
Net debt	(1,343.44)	9,066.01
Total equity	2,724.05	(1,382.26)
Net debt to Equity ratio	<u>0.49</u>	<u>(6.56)</u>

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

31 Ind AS 115 - Revenue from Contracts with Customers

(a) The amount of INR 24,859.68 lakh (Previous Year: INR Nil) recognised in contract liabilities at the beginning of the year has been recognised as revenue during the year ended March 31, 2020.

(b) Significant changes in contract assets and contract liabilities balances are as follows:

Particulars	March 31, 2020	March 31, 2019
Contract liability		
At the beginning of the reporting period	36,192.99	5,606.63
Cumulative catch-up adjustments affecting contract liability	(13,515.00)	27,718.20
Significant financing component	(2,251.27)	2,868.17
At the end of the reporting period	20,426.72	36,192.99

(c) Performance obligation

The Company engaged primarily in the business of real estate construction, development and other related activities.

All the Contracts entered with the customers consists of a single performance obligation thereby the consideration allocated to the performance obligation is based on standalone selling prices.

Revenue is recognised upon transfer of control of residential units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities or intimation to the customer of completion, post which the contract becomes non-cancellable by the parties.

The revenue is measured at the transaction price agreed under the contract. In certain cases, the Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction price for the effects of a significant financing component.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2020 is INR 91,810.93 lakhs (Previous Year: 75,049.98 lakhs). This will be recognised as revenue over a period of 1-3 years .

(d) Reconciliation of revenue recognised in the Statement of Profit and Loss

The following table discloses the reconciliation of amount of revenue recognised as at 31 March 2020:

Particulars	March 31, 2020	March 31, 2019
Contract price of the revenue recognised	46,132.44	-
Add: Significant financing component	6,196.32	-
Less: Discount	15.78	-
Revenue from sale of real estate developments and sale of services recognised in the Statement of Profit and Loss	52,312.98	-

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)
for the year ended March 31, 2020

(Currency in INR Lakhs)

32 Related Party Disclosure (Continued)

Particulars	Godrej Properties Limited	GRIP II	Godrej & Boyce (G&B) Manufacturing Company	Natures Basket Limited	Oxford Realty LLP	Godrej Skyline Developers Private Limited	Godrej Consumer Products Limited	Total
Balance Outstanding as on March 31, 2020								
Amount Receivable								
As at March 31, 2020	20.75	-	-	-	-	202.58	-	223.33
As at March 31, 2019	-	-	-	-	-	-	-	-
Amount Payables								
As at March 31, 2020	-	-	75.51	-	-	-	-	75.51
As at March 31, 2019	-	-	0.49	4.84	-	-	-	5.33
Debenture Outstanding								
As at March 31, 2020	733.04	704.29	-	-	-	-	-	1,437.33
As at March 31, 2019	8,104.09	8,434.86	-	-	-	-	-	16,538.95
Debenture Interest Outstanding								
As at March 31, 2020	5.40	5.31	-	-	-	-	-	10.71
As at March 31, 2019	2,230.38	2,192.45	-	-	-	-	-	4,422.84

* 1,474,500 number of Compulsory Convertible Debenture having face value of INR 1000 each amounting to INR 14,745.00 lakhs is converted into 1,474,500 numbers of Optionally Convertible debenture of INR 1000 each amounting to INR 14,745.00 lakhs during the year on 17 March, 2020 and redeem on 18 March, 2020.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

33 Contingent Liabilities and Commitments

a) Contingent Liabilities

Matters	March 31, 2020	March 31, 2019
I) Claims against Company not Acknowledged as debts	Nil	Nil
II) Guarantees:		
i) Guarantees given by Bank against Fixed Deposit	25.00	25.00

b) Commitments

(i) Particulars	March 31, 2020	March 31, 2019
Capital Commitment (includes for CWIP under Construction)	Nil	Nil

(ii) The Company enters into construction contracts for Civil, Elevator, External Development, MEP work etc. with its vendors. The total amount payable under such contracts will be based on actual measurements and negotiated rates, which are determinable as and when the work under the said contracts are completed.

(iii) The Company has entered into development agreements with owners of land for development of projects. Under the agreements the Company is required to pay certain payments/ deposits to the owners of the land and share in built up area/ revenue from such developments in exchange of undivided share in land as stipulated under the agreements.

34 Payment to Auditors (net of taxes)

Particulars	March 31, 2020	March 31, 2019
Statutory Audit Fees	3.45	2.20
Certification	0.80	0.40
Reimbursement of Expenses	0.18	0.15
Total	4.43	2.75

Of the total audit fees, an amount of INR Nil (Previous Year : Rs. 1.09 lakhs) has been transferred to Construction Work-in-Progress.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

35 Foreign Exchange Difference

The amount of exchange difference included in the Statement of Profit and Loss, is INR (0.05) Lakhs (Net Loss) (Previous Year: INR (0.22) Lakhs (Net Loss)).

36 Micro, Small and Medium enterprises :

Particulars	March 31, 2020	March 31, 2019
(a) The principal amount remaining unpaid to any supplier as at the end of the accounting year;	398.72	-
(b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	Nil	Nil
(c) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
(f) The amount of further interest due and payable even in the succeeding year, 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.	Nil	Nil

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the years ended and as at March 31, 2020 and March 31, 2019 to Micro, Small and Medium Enterprises on account of principal or interest.

37 Segment Reporting

A. Basis of Segmentation

Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Company has only one reportable segment 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.

B. Geographical Information

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Development of Real Estate property in India, it has only one reportable geographical segment.

C. Information about major customers

None of the customers for the year ended March 31, 2020 and March 31, 2019 constituted 10% or more of the total revenue of the Company.

Pearlite Real Properties Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

38 Cash and Cash Equivalents and Bank Balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

39 **Utilisation of proceeds from issue of Shares and debentures**

During the Previous Year, the Company raised a sum of INR 130.00 lakhs by allotting 650,000 equity shares and INR 2,470.00 Lakhs through an issue of 247,000 Compulsory Convertible Debentures debentures.

Particulars	Equity Shares	Debentures	March 31, 2019
Proceeds from the issue during the year	130.00	2,470.00	2,600.00
<u>Utilisation during the year:</u>			
Utilised for Land Payments	130.00	2,470.00	2,600.00
Balance unutilised amount as at March 31, 2019	-	-	-

40 The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Inventories and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the LLP, as at the date of approval of these financial results has used internal and external sources of information. As on current date, the LLP has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the LLP will continue to monitor developments to identify significant uncertainties in future periods, if any.

41 The Company has recognised INR 2.58 lakhs towards minimum lease payments for short-term leases in the Statement of Profit and Loss.

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Pearlite Real Properties Private Limited

CIN:U45309MH2016PTC285479

ANIRUDDHA GODBOLE

Partner

Membership No: 105149

Mumbai

May 08, 2020

KARAN SINGH BOLARIA

Director

DIN: 006618461

Mumbai

May 08, 2020

AMANDEEP SINGH

Director

DIN: 07144214