



# Singhal Raghav & Company

CHARTERED ACCOUNTANTS

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## Independent Auditor's Report

To the Members of Vatika Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Vatika Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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



For Vatika Limited

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#### Emphasis of Matters

4. We draw attention to Note 23(v)(b) and Note 27(v)(b) to the standalone financial statements, which describes that the Company's non-current borrowings (including current maturities of non-current borrowings), and current borrowings amounting to ₹ 55,845.94 lakhs and ₹ 33,100.43 lakhs respectively as per the books of accounts, as at 31 March 2021, in respect of which there is a reconciliation gap between the balance confirmed by the lenders through confirmations and the balance of the borrowings as per the books of accounts. Further, in respect of current borrowings amounting to ₹ 3,855.00 lakhs and current maturities of non-current borrowings amounting to ₹ 25,604.75 lakhs, as detailed in Note 27(v)(b)(i) and Note 29(a) respectively, confirmations from the lenders have not been received. The management has represented to us that the Company has managed to arrive at written understanding with certain lenders. In accordance with terms of aforesaid understanding, if the amounts are paid by the Company within a defined period of time, then, the amount payable on conclusion of the aforesaid resolutions will not exceed the liability (comprising principal and interest) provided in the books of accounts as at 31 March 2021 with respect to these borrowings. Further, the Company is in the advance stages of discussions for similar resolutions with the certain other lenders. Accordingly, the Company is honouring its payment obligations and based on its internal assessment is of the view that the amount payable on conclusion of the aforementioned resolution process will not exceed the liability (comprising principal and interest) provided in books in respect of these borrowings. Our opinion is not modified in respect of this matter.
5. We draw attention to Note 56 to the accompanying standalone financial statements, which describes the uncertainties due to the outbreak of Covid-2019 pandemic and the management's evaluation of its impact on the accompanying standalone financial statements and operations of the Company as at the balance sheet date, the extent of which is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

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

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.



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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

13. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
14. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure Aa statement on the matters specified in paragraphs 3 and 4 of the Order.
15. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



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- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) the matters described in paragraph 4 and 5 under the Emphasis of Matters section, in our opinion, may have an adverse effect on the functioning of the Company;
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 November 2021 as per Annexure B expressed unmodified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in note 43(a) to 43(e) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Singhal Raghav & Company  
Chartered Accountants  
Firm's Registration No.



Karendra Kumar  
Partner  
Membership No. 51807H

UDIN:21518078AAAACAS450

Place: New Delhi  
Date: 30 November 2021

For Vatika Limited

Authorised Signatory

Annexure A to the Independent Auditor's Report of even date to the members of Vatika Limited, on the standalone financial statements for the year ended 31 March 2021

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment property.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties:

| Nature of property | Whether leasehold /freehold | Gross block as on 31 March 2021 (₹ in lakhs) | Net block on 31 March 2021 (₹ in lakhs) | Remarks   |
|--------------------|-----------------------------|--|---|---|
| Building           | Freehold                    | 509.26                                       | 190.11                                  | Pertaining to First India Place   |
| Building           | Freehold                    | 570.86                                       | 266.70                                  | Pertaining to Vatika Towers and Atrium, property transferred consequent to amalgamation of companies into the Company in earlier years while title deeds still continue in erstwhile company's name |

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.



For Vatika Limited

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Annexure A to the Independent Auditor's Report of even date to the members of Vatika Limited, on the standalone financial statements for the year ended 31 March 2021

- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there have been significant delay in a few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

| Name of the statute   | Nature of the dues           | Amount (₹ in lakhs) | Period to which the amount relates | Due Date                                     | Date of Payment |
|---|------------------------------|---------------------|------------------------------------|--|-----------------|
| Haryana Development and Regulation of Urban Areas Act, 1975 | External Development Charges | 19,293.80           | 2013-14 to 2020-21                 | Various dates as per agreed terms of license | Not yet paid    |
| Haryana Development and Regulation of Urban Areas Act, 1975 | Internal Development Charges | 97.75               | 2006-07 to 2007-08                 | Various dates as per agreed terms of license | Not yet paid    |

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:



For Vatika Limited

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Annexure A to the Independent Auditor's Report of even date to the members of Vatika Limited, on the standalone financial statements for the year ended 31 March 2021

Statement of Disputed Dues

| Name of the statute  | Nature of dues | Amount (₹ in lakhs) | Amount paid under Protest (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending     |
|----------------------|----------------|---------------------|--|------------------------------------|------------------------------------|
| Income Tax Act, 1961 | Income tax     | 2.45                |  | Assessment Year 1996-97            | CIT (Appeals)                      |
| Income Tax Act, 1961 | Income tax     | 262.25              | 290.41                                 | Assessment Year 2003-04            | CIT (Appeals)                      |
| Income Tax Act, 1961 | Income tax     | 2,621.73            |  | Block assessment May 2003          | Honourable High Court at New Delhi |
| Name of the statute  | Nature of dues | Amount (₹ in lakhs) | Amount paid under Protest (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending     |
| Income Tax Act, 1961 | Income tax     | 911.13              | 263.11                                 | Assessment Year 2008-09            | Honourable High Court at New Delhi |
| Income Tax Act, 1961 | Income tax     | 140.93              | 140.93                                 | Assessment Year 2007-08            | Income Tax Appellate Tribunal      |
| Income Tax Act, 1961 | Income tax     | 167.93              | 167.93                                 | Assessment Year 2008-09            | Income Tax Appellate Tribunal      |
| Income Tax Act, 1961 | Income tax     | 228.48              | 228.48                                 | Assessment Year 2009-10            | Income Tax Appellate Tribunal      |
| Income Tax Act, 1961 | Income tax     | 104.30              | 104.30                                 | Assessment Year 2010-11            | Income Tax Appellate Tribunal      |
| Income Tax Act, 1961 | Income tax     | 1,187.07            | 1,187.07                               | Assessment Year 2011-12            | Income Tax Appellate Tribunal      |
| Income Tax Act, 1961 | Income tax     | 9.53                | 9.53                                   | Assessment Year 2012-13            | Income Tax Appellate Tribunal      |
| Income Tax Act, 1961 | Income tax     | 401.06              | 401.06                                 | Assessment Year 2013-14            | Income Tax Appellate Tribunal      |
| Income Tax Act, 1961 | Income tax     | 296.29              | 176.77                                 | Assessment Year 2009-10            | Income Tax Appellate Tribunal      |



For Vatika Limited

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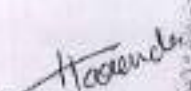


Annexure A to the Independent Auditor's Report of even date to the members of Vatika Limited, on the stand alone financial statements for the year ended 31 March 2021

- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Singhaj Raghav & Company  
Chartered Accountants

Firm's Registration No. 518073

  
Hazendra Kumar

Partner

Membership No. 518073



UDIN:21518073AAAACAS450

Place: New Delhi

Date: 30 November 2021

For Vatika Limited

  
Authorised Signatory

Annexure B to the Independent Auditor's Report of even date to the members of Vatika Limited on the standalone financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Vatika Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to the standalone financial statements of the Company as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to the Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.



For Vatika Limited

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Meaning of Internal Financial Controls with Reference to the Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to the Standalone Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Singhal Raghav & Company  
Chartered Accountants  
Firm's Registration No. 024307N  
  
Harendra Kumar  
Partner  
Membership No. 51807B



UDIN: 2151807BAAAACA8450

Place: New Delhi

Date: 30 November 2021

For Vatika Limited

  
Authorised Signatory

## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

### 1. Corporate information

Vatika Limited ("the Company") is primarily engaged in the business of promotion, construction, development, sale and maintenance of real estate properties in India. The Company is domiciled in India and its registered office is situated at Unit No. A-002, Ground floor, Block A, Vatika INXT City Center, Sector 83, Gurugram – 122012.

### 2. General information and statement of compliance with Ind AS

These standalone financial statements ("financial statements") of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ("MCA")) as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 30 November 2021. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

### 3. Basis of accounting

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

### 4. Recent accounting pronouncements

#### Amendments to Schedule III of the Act

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

#### Amendments to Ind AS 107, Financial Instruments: Disclosures

New disclosures requirements are added in the standard to enable the users to understand the effect of interest rate benchmark reforms on entity's risk management strategy. The related amendments are also made in the other accounting standard as applicable. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

#### Amendments to Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations and Ind AS 16, Property, Plant and Equipment

There is change in definition of recoverable amount from 'fair value less costs to sell' to 'fair value less costs of disposal'. The Company is evaluating the requirements of these amendments and their impact on the financial statements.



For Vatika Limited

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**Vatika Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

**5. Summary of significant accounting policies**

**a) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**b) Revenue recognition**

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

**i. Revenue from real estate operations**

**a) Revenue from sale of constructed properties and developed plots**

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

*(i) Revenue from real estate projects*

Revenue from sale of properties is recognized when the performance obligations are essentially complete and credit risks have been significantly eliminated. The performance obligations are considered to be complete when control over the property has been transferred to the buyer i.e. letter of possession of properties have been issued to the customers and substantial sales consideration is received from the customers.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total estimated cost exceeds total expected revenues from the contracts, the loss is recognized immediately.

*(ii) Revenue from sale of land, completed property and development right*

Revenue from sale of land, completed property and development right is recognised in the financial year in which the agreement to sell is executed and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale.

**ii. Income from compulsory acquisition by Government**



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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

Revenue from land compulsorily acquired by the Government is booked if there is certainty of collection of income.

### iii. Interest income

- a) Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.
- b) Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

### iv. Income from services

#### *Property maintenance charges*

Revenue of property and other maintenance contracts is recognised on a pro-rata basis over the period of the contract as and when services are rendered.

#### *Service income*

Revenue of other services is recognised on accrual basis in accordance with the terms of service agreements.

#### *Forfeiture income*

Income from forfeiture of properties under agreement to sell is accounted for on accrual basis except in cases where ultimate collection is considered doubtful.

#### *Income from transfer charges*

Income from registration fees received from customers on transfer of ownership of property during the construction period is accounted on accrual basis as and when due.

### v. Rental income

Rental income from property is recognised as per terms of the lease agreement.

### c) Cost of Sales

- a. Cost of constructed properties and developed plots includes cost of land (including development rights), estimated internal development costs, external development charges, other related government charges, borrowing costs, overheads construction costs and development/ construction materials, which is charged to the Statement of Profit and Loss proportionate to area on which revenue has been recognised as per accounting policy no. (b)(i)(a)(i) above, in consonance with the concept of matching cost to revenue. Final adjustment is made on completion of the applicable project.
- b. Cost of land, completed property and development right is charged to Statement of Profit and Loss proportionate to the revenue recognised as per accounting policy no. (b)(i)(a)(ii) above, in consonance with the concept of matching cost to revenue. Common infrastructure costs are allocated based on the area of the underlying land

### d) Borrowing costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with notified Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

Upfront fees/interest and processing charges paid on borrowings are amortized and charged off to Statement of Profit and Loss over the tenure of the loan.



For Vatika Limited

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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

### e) Property, plant and equipment

#### *Recognition and initial measurement*

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

| Asset category          | Estimated useful life (in years) |
|-------------------------|----------------------------------|
| Buildings               | 60                               |
| Office equipments       | 3-5                              |
| Computers               | 3-6                              |
| Furnitures and fixtures | 10                               |
| Vehicles                | 3-10                             |
| Plant and equipment     | 3-15                             |

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

### f) Investment properties

#### *Recognition and initial measurement*

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

| Asset category | Estimated useful life (in years) |
|----------------|----------------------------------|
| Buildings      | 60                               |



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

### *De-recognition*

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

## g) Other intangible assets

### *Recognition and initial measurement*

Intangible assets (softwares including ERP, related licences and implementation cost of ERP) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

### *Subsequent measurement (amortisation)*

The cost of capitalized software is amortized over a period in the range of 3 years from the date of its acquisition.

## h) Foreign currency translation

### *Functional and presentation currency*

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on such conversion and settlement at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

## i) Leases

### **Where the Company is the lessee**

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

### *Classification of leases*

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

### *Recognition and initial measurement of right of use assets*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).



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*Subsequent measurement of right of use assets*

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

*Lease liabilities*

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term and low value lease using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

**Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straight-line basis over the lease-term.

**j) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**k) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

**Non-derivative financial assets**

*Subsequent measurement*

**i. Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

- Contractual terms of the 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.

- Investments in equity instruments of subsidiaries**— Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 *Separate Financial Statements*.
- Investments in other equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same as at fair value through other comprehensive income (FVOCI) or FVTPL. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL)

### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### **Non-derivative financial liabilities**

#### *Subsequent measurement*

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

#### *De-recognition of financial liabilities*

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

### **Offsetting of financial instruments**

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

## **D) Impairment of financial assets**

In accordance with IndAS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.



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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

## m) Inventories

Inventory comprises of land, completed properties for sale and project in progress are valued as under:

- Completed property for sale is valued at lower of cost and net realisable value. In case of self constructed property cost includes cost of land (including development rights and land under agreement to purchase), license related costs (accrued on receipt of letter of intent for license from government authorities), construction cost, overheads, borrowing cost and development/construction materials.
- Projects in progress are valued at lower of cost (determined on weighted average cost method) and net realisable value. Cost includes cost of land (including development rights and land under agreement to purchase), license related costs, construction/development costs, overheads, borrowing cost and development/construction materials. However, cost in case of transferable development rights acquired by way of development/construction of built up area is the amount to be spent on development/construction of built up area.

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.

## n) Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised



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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

Unused tax credit (Minimum alternate tax ("MAT") credit entitlement) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which such credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as unused tax credit. The Company reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

### o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

### p) Post-employment, long term and short term employee benefits

#### Defined contribution plans

##### *Provident Fund*

The Company makes contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan. The Company's contributions paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### Defined benefit plans

##### *Gratuity*

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

#### Others

##### *Other long-term employee benefits (compensated absences)*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of profit and loss in the year in which such gains or losses are determined.



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**Vatika Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

*Other short-term employee benefits*

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**q) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- 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 recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

**r) Brokerage**

The brokerage cost incurred for obtaining the contract with customer is recognized as an asset as "Prepaid Expenses" under "Other assets" and expensed off in the statement of profit and loss when the corresponding revenue for the contract is recognized and is presented under the head "Other Expenses".

**s) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**t) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

*Significant management judgements*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in detection of a probable amount of the assets.



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**Vatika Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

**Classification of leases** – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

**Contingencies** – In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided. When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

*Significant estimates*

**Revenue and inventories** – The estimates around total budgeted cost i.e. outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. The estimates of the saleable area are also reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined.

**Valuation of investment property** – Investment property is stated at cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the balance sheet date. The Group engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from the assets and discount rates applicable to those assets. These estimates are based on local market conditions existing at the balance sheet date.

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.



For Vatika Limited

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Vatika Limited  
Balance Sheet as at 31 March 2021

|   | Notes | 31 March 2021<br>₹ in lakhs | 31 March 2020<br>₹ in lakhs |
|---|-------|-----------------------------|-----------------------------|
| <b>ASSETS</b>   |       |                             |                             |
| <b>Non-current assets</b>   |       |                             |                             |
| Property, plant and equipment   | 6     | 410.61                      | 415.92                      |
| Intangible property   | 7     | 459.52                      | 485.50                      |
| <b>Financial assets</b>   |       |                             |                             |
| Investments   | 8     | 38,531.39                   | 35,997.98                   |
| Loans   | 9     | 2,162.89                    | 2,070.12                    |
| Other financial assets  | 10    | 2,598.81                    | 3,298.88                    |
| Deferred tax assets (net)   | 11    | 37,612.26                   | 37,643.39                   |
| Non-current tax assets (net)  | 12    | 4,283.82                    | 18,598.92                   |
| Other non-current assets  | 13    | 686.65                      | 732.75                      |
| <b>Total non-current assets</b>   |       | <b>84,548.73</b>            | <b>93,823.67</b>            |
| <b>Current assets</b>   |       |                             |                             |
| <b>Intangible assets</b>  |       |                             |                             |
| <b>Financial assets</b>   |       |                             |                             |
| Trade receivables   | 15    | 17,312.31                   | 17,692.85                   |
| Cash and cash equivalents   | 16    | 6,173.89                    | 2,273.25                    |
| Other bank balances   | 17    | 3,980.47                    | 4,474.42                    |
| Loans   | 18    | 8,023.85                    | 8,815.58                    |
| Other financial assets  | 19    | 4,853.26                    | 21,269.74                   |
| Other current assets  | 20    | 161,552.26                  | 176,736.01                  |
| <b>Total current assets</b>   |       | <b>1,022,651.25</b>         | <b>1,079,305.25</b>         |
| <b>Total assets</b>   |       | <b>1,118,200.02</b>         | <b>1,167,605.52</b>         |
| <b>EQUITY AND LIABILITIES</b>   |       |                             |                             |
| <b>Equity</b>   |       |                             |                             |
| Equity share capital  | 21    | 3,568.92                    | 3,568.92                    |
| Other equity  | 22    | 28,815.92                   | 28,802.07                   |
| <b>Total equity</b>   |       | <b>32,384.84</b>            | <b>32,371.01</b>            |
| <b>Non-current liabilities</b>  |       |                             |                             |
| <b>Financial liabilities</b>  |       |                             |                             |
| Borrowings  | 23    | 45,956.34                   | 52,956.79                   |
| Other financial liabilities   | 24    | 5,140.94                    | 1,979.58                    |
| Long term provisions  | 25    | 863.70                      | 638.11                      |
| Other non-current liabilities   | 26    | 107.80                      | 1,038.82                    |
| <b>Total non-current liabilities</b>  |       | <b>47,779.12</b>            | <b>54,843.30</b>            |
| <b>Current liabilities</b>  |       |                             |                             |
| <b>Financial liabilities</b>  |       |                             |                             |
| Borrowings  | 27    | 115,936.97                  | 122,498.52                  |
| Trade payables  |       |                             |                             |
| Total outstanding dues of vendors (except and small enterprises)                        | 28A   | 2,332.79                    | 3,116.42                    |
| Total outstanding dues of creditors (other than vendors (except and small enterprises)) | 28B   | 33,242.29                   | 19,504.39                   |
| Other financial liabilities   | 29    | 57,915.35                   | 69,383.32                   |
| Other current liabilities   | 30    | 786,142.71                  | 816,742.37                  |
| Short term provisions   | 31    | 51,886.75                   | 43,672.30                   |
| <b>Total current liabilities</b>  |       | <b>1,056,515.26</b>         | <b>1,076,679.13</b>         |
| <b>Total liabilities</b>  |       | <b>1,089,294.38</b>         | <b>1,131,422.43</b>         |
| <b>Total equity and liabilities</b>   |       | <b>1,118,200.02</b>         | <b>1,167,605.52</b>         |

Summary of significant accounting policies

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

This is the Balance Sheet referred to in our report of even date.

For Shakti Rajan & Co.  
Chartered Accountants  
Firm's Registration No. 101190N  
Harshdeep Kumar  
Partner  
Membership No. 518078



Place: New Delhi  
Date: 30 November 2021

For and on behalf of the Board of Directors

Gaurav Bhatia  
Whole Time Director  
DIN: 0006041  
  
 Raj Kishore Singh  
Director  
DIN: 01888457  
  
 Manish Agarwal  
Chief Financial Officer  
  
 Keshav Jha  
Company Secretary

For Vatika Limited

Authorised Signatory

Vatika Limited  
Statement of Profit and Loss for the year ended 31 March 2021

|   | Notes | 31 March 2021<br>(₹ in lakhs) | 31 March 2020<br>(₹ in lakhs) |
|---|-------|-------------------------------|-------------------------------|
| <b>Income</b>   |       |                               |                               |
| Revenue from operations                               | 32    | 59,618.52                     | 52,248.49                     |
| Other income  | 33    | 2,895.47                      | 5,289.38                      |
| <b>Total revenue</b>                                  |       | <u>62,514.00</u>              | <u>57,537.87</u>              |
| <b>Expenses</b>                                       |       |                               |                               |
| Cost of sales   | 34    | 33,838.86                     | 35,776.51                     |
| Employee benefits expense                             | 35    | 2,810.65                      | 2,689.44                      |
| Finance costs   | 36    | 13,284.49                     | 17,636.02                     |
| Depreciation and amortisation expense                 | 37    | 168.74                        | 138.15                        |
| Impairment losses                                     | 38A   | 431.47                        | 3,086.74                      |
| Other expenses  | 38B   | 1,677.48                      | 9,754.77                      |
| <b>Total expenses</b>                                 |       | <u>52,551.63</u>              | <u>69,061.63</u>              |
| <b>Profit/(loss) before tax and exceptional items</b> |       | <u>9,962.37</u>               | <u>(11,523.76)</u>            |
| <b>Exceptional items</b>                              |       |                               |                               |
| Loss on sale of investment                            | 38    | -                             | (21,231.84)                   |
|   |       | -                             | (21,231.84)                   |
| <b>Profit/(loss) before tax</b>                       |       | <u>9,962.37</u>               | <u>(33,355.60)</u>            |
| <b>Tax expense:</b>                                   | 39    |                               |                               |
| - Current tax   |       | -                             | -                             |
| - Deferred tax expense/(credit)                       |       | 416.58                        | (5,518.17)                    |
|   |       | <u>416.58</u>                 | <u>(5,518.17)</u>             |
| <b>Net profit/(loss) for the year</b>                 |       | <u>10,378.95</u>              | <u>(38,873.77)</u>            |
| <b>Other comprehensive income</b>                     | 40    |                               |                               |
| Items that will not be reclassified to profit or loss |       |                               |                               |
| Re-measurement losses on defined benefit plans        |       | 41.43                         | (6.25)                        |
| Income tax effect                                     |       | (14.48)                       | 2.18                          |
| <b>Other comprehensive income for the year</b>        |       | <u>26.95</u>                  | <u>(4.07)</u>                 |
| <b>Total comprehensive income/(loss) for the year</b> |       | <u>10,405.90</u>              | <u>(38,917.84)</u>            |
| <b>Earnings/(loss) per equity share</b>               | 41    |                               |                               |
| Basic (₹)   |       | 0.97                          | (19.95)                       |
| Diluted (₹)   |       | 0.97                          | (19.95)                       |

Summary of significant accounting policies

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

This is the Statement of Profit and Loss referred to in our report of even date.

For Singhal Raghav & Company  
Chartered Accountants  
Firm's Registration No. 024107N

Hareendra Kumar  
Partner  
Membership No. 518076

Place: New Delhi  
Date: 30 November 2021

For and on behalf of the Board of Directors

  
Gaurav Bhatia  
Whole-Time Director  
DIN: 00035043  
Chief Financial Officer

  
Brij Kishore Singh  
Director  
DIN: 01805137  
Company Secretary

For Vatika Limited

Authorized Signatory

Vatika Limited  
Statement of changes in equity for the year ended 31 March 2021

A Equity share capital

(₹ in lakhs)

| Particulars          | Balance as at 01 April 2019 | Issue of equity share capital during the year | Balance as at 31 March 2020 |
|----------------------|-----------------------------|---|-----------------------------|
| Equity share capital | 5,568.82                    | -   | 5,568.82                    |

(₹ in lakhs)

| Particulars          | Balance as at 01 April 2020 | Issue of equity share capital during the year | Balance as at 31 March 2021 |
|----------------------|-----------------------------|---|-----------------------------|
| Equity share capital | 5,568.82                    | -   | 5,568.82                    |

B Other equity

(₹ in lakhs)

|   | Reserves and surplus       |                               |                   | Total       |
|---|----------------------------|-------------------------------|-------------------|-------------|
|   | Securities premium reserve | Debenture redemption reserve* | Retained Earnings |             |
| Balance as at 01 April 2019                           | 59,189.31                  | 4,651.00                      | (7,989.74)        | 22,571.27   |
| Loss for the year                                     | -                          | -                             | (27,837.43)       | (27,837.43) |
| Other comprehensive income for the period, net of tax | -                          | -                             | (4.07)            | (4.07)      |
| Balance as at 31 March 2020                           | 59,189.31                  | 4,651.00                      | (35,771.24)       | 28,069.07   |
| Profit for the year                                   | -                          | -                             | 537.80            | 537.80      |
| Other comprehensive income for the period, net of tax | -                          | -                             | 26.95             | 26.95       |
| Balance as at 31 March 2021                           | 59,189.31                  | 4,651.00                      | (35,306.49)       | 28,633.82   |

\*The Company has created Debenture Redemption Reserve to the extent of available profits, as required under the provisions of Companies Act, 2013. The Company has not created any Debenture Redemption Reserve during the year due to absence of sufficient profits.

This is the Statement of Changes in Equity referred to in our report of even date.

For Singhal Raghav & Company  
Chartered Accountants  
Firm's Registration No: 02450711

Harender Kumar  
Partner  
Membership No: 518078

Place: New Delhi  
Date: 30 November 2021

For and on behalf of the Board of Directors

Gustam Bhalla  
Whole Time Director  
DIN: 00005043

Manish Agarwal  
Chief Financial Officer

Brij Kishore Singh  
Director  
DIN: 01805157

Keshav Jha  
Company Secretary

For Vatika Limited

Authorised Signatory

Vatika Limited

Cash Flow Statement for the year ended 31 March 2021

|   | 31 March 2021<br>(₹ in lakhs) | 31 March 2020<br>(₹ in lakhs) |
|---|-------------------------------|-------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |                               |                               |
| Profit/(loss) before tax  | 954.35                        | (25,255.68)                   |
| Adjustments for:  |                               |                               |
| Depreciation and amortisation expense   | 169.75                        | 138.15                        |
| Profit on sale of property, plant and equipment and investment property (net) | (5.87)                        | -                             |
| Advance income of cost  | -                             | 3,098.71                      |
| Provision for expected credit loss  | (31.47)                       | 317.93                        |
| Provision income and service receipts   | 3,014.89                      | 163.51                        |
| Impairment or value of investment   | -                             | 2,938.86                      |
| Change in contingencies   | -                             | 1,812.54                      |
| Finance costs   | (3,294.40)                    | 17,636.08                     |
| Provision on long term contract, contract liability                           | (583.89)                      | 6,427.56                      |
| Interest income   | (2,582.26)                    | (2,215.05)                    |
| Provision on sale of investment (net)   | (26.78)                       | 31,217.64                     |
| Provision for expected credit recognised (contract liability)                 | 6,213.96                      | (567.77)                      |
| Operating profit before working capital changes                               | 32,132.14                     | 8,495.47                      |
| Changes in working capital:   |                               |                               |
| Lease and advances  | (39,000)                      | (7,017.89)                    |
| Investment  | 12,017.54                     | 25,673.89                     |
| Other financial assets  | 17,730.14                     | 5,915.85                      |
| Other assets  | 15,528.29                     | (6,825.13)                    |
| Trade and other receivables   | (1,111.1)                     | 3,226.78                      |
| Other financial liabilities   | 8,271.37                      | 4,712.17                      |
| Other liabilities   | (56,333.48)                   | 27,653.67                     |
| Trade and other payables  | (1,668.85)                    | (179.55)                      |
| Provision   | 3.86                          | (29.78)                       |
| Cash flows from operating activities post working capital changes             | 35,425.79                     | 37,652.34                     |
| Income tax on normal operations   | 6,133.18                      | 1,917.15                      |
| Net cash flows from operating activities (A)                                  | 39,558.97                     | 39,569.49                     |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                |                               |                               |
| Proceeds from sale of property, plant and equipment and investment property   | 32.98                         | 0.01                          |
| Purchase of property, plant and equipment and capital work-in-progress        | (271.08)                      | (20.73)                       |
| Investment in subsidiaries  | -                             | (2,655.71)                    |
| Proceeds from sale of investments   | 86.53                         | 35,114.26                     |
| Dividend income   | 631.95                        | (2,286.49)                    |
| Interest received   | 7,283.29                      | 7,587.31                      |
| Net cash flows from investing activities (B)                                  | 1,663.67                      | 7,937.44                      |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                |                               |                               |
| Proceeds from long term borrowings  | -                             | 2,038.11                      |
| Repayment of long term borrowings   | (27,666.57)                   | (1,429.26)                    |
| Proceeds from short term borrowings   | 1,280.81                      | 698.19                        |
| Repayment of short term borrowings  | (7,889.73)                    | (13,297.06)                   |
| Interest paid   | (10,153.83)                   | (21,012.28)                   |
| Net cash used in financing activities (C)                                     | (34,329.32)                   | (35,992.20)                   |
| <b>Increase/(decrease) in cash and cash equivalents (A+B+C)</b>               | 1,893.32                      | (1,385.27)                    |
| Cash and cash equivalents at the beginning of the year                        | 2,273.25                      | 3,658.52                      |
| Cash and cash equivalents at the end of the year                              | 4,166.57                      | 2,273.25                      |
| <b>Cash and cash equivalents included in other notes (B)</b>                  |                               |                               |
| Cash on hand  | 11.80                         | 0.00                          |
| Bank balances with banks  | 4,154.77                      | 2,273.21                      |
| Income tax receivable   | 1.00                          | 0.00                          |

The above "Cash Flow Statement" has been prepared in accordance with the Indian Accounting Standard, "Statement of Cash Flow".

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

This is the Cash Flow Statement referred to in our report of even date.

For Singh & Company  
Chartered Accountants  
Firm Registration No. 0214772  
Haryana Branch  
Firm  
Mumbai No. 26878



Place: New Delhi  
Date: 30 November 2021

For and on behalf of the Board of Directors

Gaurav Shukla  
 Managing Director  
 DIN: 02606199  
  
 Rajat Singh  
 Director  
 DIN: 02606199  
  
 Hitesh Agarwal  
 Chief Financial Officer  
  
 Kishor Jha  
 Company Secretary

For Vatika Limited

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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

### 5. Summary of significant accounting policies

#### a) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

#### b) Revenue recognition

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

##### i. Revenue from real estate operations

###### a) Revenue from sale of constructed properties and developed plots

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

###### (i) Revenue from real estate projects

Revenue from sale of properties is recognized when the performance obligations are essentially complete and credit risks have been significantly eliminated. The performance obligations are considered to be complete when control over the property has been transferred to the buyer i.e. letter of possession of properties have been issued to the customers and substantial sales consideration is received from the customers.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total estimated cost exceeds total expected revenues from the contracts, the loss is recognized immediately.

###### (ii) Revenue from sale of land, completed property and development right

Revenue from sale of land, completed property and development right is recognised in the financial year in which the agreement to sell is executed and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale.

##### ii. Income from compulsory acquisition by Government

Revenue from land compulsorily acquired by the Government is booked if there is certainty of collection of income.



For Vatika Limited

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**Vatika Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

**iii. Interest income**

- a) Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.
- b) Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

**iv. Income from services**

*Property maintenance charges*

Revenue of property and other maintenance contracts is recognised on a pro-rata basis over the period of the contract as and when services are rendered.

*Service income*

Revenue of other services is recognised on accrual basis in accordance with the terms of service agreements.

*Forfeiture income*

Income from forfeiture of properties under agreement to sell is accounted for on accrual basis except in cases where ultimate collection is considered doubtful.

*Income from transfer charges*

Income from registration fees received from customers on transfer of ownership of property during the construction period is accounted on accrual basis as and when due.

*Advertisement income*

Income from advertisement is recognised on accrual basis in accordance with the terms of agreements.

**v. Rental income**

Rental income from property is recognised as per terms of the lease agreement.

**c) Cost of Sales**

- a. Cost of constructed properties and developed plots includes cost of land (including development rights), estimated internal development costs, external development charges, other related government charges, borrowing costs, overheads construction costs and development/ construction materials, which is charged to the Statement of Profit and Loss proportionate to area on which revenue has been recognised as per accounting policy no. (b)(i)(a)(i) above, in consonance with the concept of matching cost to revenue. Final adjustment is made on completion of the applicable project.
- b. Cost of land, completed property and development right is charged to Statement of Profit and Loss proportionate to the revenue recognised as per accounting policy no. (b)(i)(a)(ii) above, in consonance with the concept of matching cost to revenue. Common infrastructure costs are allocated based on the area of the underlying land

**d) Borrowing costs**

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with notified Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

Upfront fees/interest and processing charges paid on borrowings are amortized and charged off to Statement of Profit and Loss, over the tenure of the loan.



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For Vatika Limited

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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

### e) Property, plant and equipment

#### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

| Asset category          | Estimated useful life (in years) |
|-------------------------|----------------------------------|
| Buildings               | 60                               |
| Office equipments       | 3-5                              |
| Computers               | 3-6                              |
| Furnitures and fixtures | 10                               |
| Vehicles                | 3-10                             |
| Plant and equipment     | 3-15                             |

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

### f) Investment properties

#### *Recognition and initial measurement*

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

| Asset category | Estimated useful life (in years) |
|----------------|----------------------------------|
| Buildings      | 60                               |

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.



For Vatika Limited

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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

### *De-recognition*

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

## g) Foreign currency translation

### *Functional and presentation currency*

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on such conversion and settlement at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

## h) Leases

### **Where the Company is the lessee**

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

### *Classification of leases*

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

### *Recognition and initial measurement of right of use assets*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

### *Subsequent measurement of right of use assets*

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

### *Lease liabilities*

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance



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For Vatika Limited

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fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term and low value lease using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

**Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straight-line basis over the lease-term.

**i) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**j) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

**Non-derivative financial assets**

*Subsequent measurement*

**i. Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

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

**ii. Investments in equity instruments of subsidiaries** – Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 *Separate Financial Statements*.

**iii. Investments in other equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same as at fair value through other comprehensive income (FVOCI) or FVTPL. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.



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For Vatika Limited

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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

- iv. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### **Non-derivative financial liabilities**

#### *Subsequent measurement*

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

#### *De-recognition of financial liabilities*

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

### **Offsetting of financial instruments**

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

## k) **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

#### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the



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For Vatika Limited

Authorised Signatory

## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date

### l) Inventories

Inventory comprises of land, completed properties for sale and project in progress are valued as under:

- i. Completed property for sale is valued at lower of cost and net realisable value. In case of self constructed property cost includes cost of land (including development rights and land under agreement to purchase), license related costs (accrued on receipt of letter of intent for license from government authorities), construction cost, overheads, borrowing cost and development/construction materials.
- ii. Projects in progress are valued at lower of cost (determined on weighted average cost method) and net realisable value. Cost includes cost of land (including development rights and land under agreement to purchase), license related costs, construction/development costs, overheads, borrowing cost and development/construction materials. However, cost in case of transferable development rights acquired by way of development/construction of built up area is the amount to be spent on development/construction of built up area.

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.

### m) Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

Unused tax credit (Minimum alternate tax (MAT) credit entitlement) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which such credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as unused tax credit. The Company reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.



For Vatika Limited

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## Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

### n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

### o) Post-employment, long term and short term employee benefits

#### Defined contribution plans

##### *Provident Fund*

The Company makes contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan. The Company's contributions paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### Defined benefit plans

##### *Gratuity*

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

##### *Others*

##### *Other long-term employee benefits (compensated absences)*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of profit and loss in the year in which such gains or losses are determined.

##### *Other short-term employee benefits*

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

### p) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- 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.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

Contingent assets are not recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

q) Brokerage

The brokerage cost incurred for obtaining the contract with customer is recognized as an asset as "Prepaid Expenses" under "Other assets" and expensed off in the statement of profit and loss when the corresponding revenue for the contract is recognized and is presented under the head "Other Expenses".

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

*Significant management judgements*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Classification of leases** – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**Contingencies** – In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided. When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.



For Vatika Limited

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**Vatika Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

*Significant estimates*

**Revenue and inventories** – The estimates around total budgeted cost i.e. outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. The estimates of the saleable area are also reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined.

**Valuation of investment property** – Investment property is stated at cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the balance sheet date. The Group engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from the assets and discount rates applicable to those assets. These estimates are based on local market conditions existing at the balance sheet date.

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

6. Property, plant and equipment

(₹ in lakhs)

| Description                          | Buildings | Leasehold improvements | Plant and equipment | Furniture and fixtures | Vehicles | Office equipments | Computers | Total    |
|--------------------------------------|-----------|------------------------|---------------------|------------------------|----------|-------------------|-----------|----------|
| <b>Gross carrying value</b>          |           |                        |                     |                        |          |                   |           |          |
| As at 1 April 2019                   | 246.28    | 122.48                 | 337.39              | 157.97                 | 810.17   | 93.39             | 435.13    | 2,092.80 |
| Additions                            | -         | -                      | 1.31                | -                      | -        | 3.24              | 15.77     | 20.33    |
| Disposals                            | -         | -                      | -                   | -                      | -        | -                 | (0.28)    | (0.28)   |
| As at 31 March 2020                  | 246.28    | 122.48                 | 338.70              | 157.97                 | 810.17   | 96.63             | 450.62    | 2,222.85 |
| Additions                            | -         | -                      | 49.65               | 23.63                  | 31.47    | 10.09             | 5.04      | 120.48   |
| Disposals                            | -         | -                      | -                   | -                      | (216.93) | -                 | -         | (216.93) |
| As at 31 March 2021                  | 246.28    | 122.48                 | 388.35              | 181.60                 | 624.71   | 107.32            | 455.66    | 2,326.60 |
| <b>Accumulated depreciation</b>      |           |                        |                     |                        |          |                   |           |          |
| As at 1 April 2019                   | 156.93    | 116.33                 | 270.41              | 133.50                 | 563.42   | 86.43             | 397.90    | 1,704.94 |
| Charge for the year                  | 5.29      | -                      | 18.35               | 6.10                   | 72.52    | 0.15              | 11.90     | 114.36   |
| Adjustment for disposals             | -         | -                      | -                   | -                      | -        | -                 | (0.27)    | (0.27)   |
| As at 31 March 2020                  | 162.22    | 116.33                 | 288.77              | 139.60                 | 635.94   | 86.60             | 409.53    | 1,809.43 |
| Charge for the year                  | 3.93      | -                      | 16.15               | 5.82                   | 47.79    | 0.10              | 11.17     | 84.96    |
| Adjustment for disposals             | -         | -                      | -                   | -                      | (188.00) | -                 | -         | (188.00) |
| As at 31 March 2021                  | 166.15    | 116.33                 | 304.92              | 145.42                 | 495.73   | 86.70             | 420.74    | 1,715.99 |
| <b>Net block as at 1 April 2019</b>  |           |                        |                     |                        |          |                   |           |          |
|                                      | 109.35    | 6.14                   | 66.98               | 24.47                  | 246.75   | 6.94              | 37.23     | 497.86   |
| <b>Net block as at 31 March 2020</b> |           |                        |                     |                        |          |                   |           |          |
|                                      | 104.06    | 6.14                   | 49.93               | 18.37                  | 174.23   | 10.03             | 41.09     | 493.82   |
| <b>Net block as at 31 March 2021</b> |           |                        |                     |                        |          |                   |           |          |
|                                      | 180.13    | 6.15                   | 83.43               | 36.18                  | 129.18   | 20.62             | 34.92     | 490.61   |

(i) Capitalisation of borrowing cost on property, plant and equipment

No borrowing costs has been capitalised on property, plant and equipment.

(ii) Certain property, plant and equipment have been pledged as security for liabilities. Refer note 25 and note 27.

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Valika Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

7. Investment property

| Description  | Gross block     |           |                           | Accumulated depreciation |               |              | Net block                 |               |
|--------------|-----------------|-----------|---------------------------|--------------------------|---------------|--------------|---------------------------|---------------|
|              | 01 April 2020   | Additions | Disposals/<br>Adjustments | 31 March 2021            | 01 April 2020 | Additions    | Disposals/<br>Adjustments | 31 March 2021 |
| Buildings    | 1,087.87        | -         | -                         | 1,087.87                 | 64.57         | 23.78        | -                         | 85.33         |
| <b>Total</b> | <b>1,087.87</b> | <b>-</b>  | <b>-</b>                  | <b>1,087.87</b>          | <b>64.57</b>  | <b>23.78</b> | <b>-</b>                  | <b>483.50</b> |

| Description  | Gross block     |           |                           | Accumulated depreciation |               |              | Net block                 |               |
|--------------|-----------------|-----------|---------------------------|--------------------------|---------------|--------------|---------------------------|---------------|
|              | 01 April 2019   | Additions | Disposals/<br>Adjustments | 31 March 2020            | 01 April 2019 | Additions    | Disposals/<br>Adjustments | 31 March 2020 |
| Buildings    | 1,087.87        | -         | -                         | 1,087.87                 | 50.73         | 23.78        | -                         | 307.68        |
| <b>Total</b> | <b>1,087.87</b> | <b>-</b>  | <b>-</b>                  | <b>1,087.87</b>          | <b>50.73</b>  | <b>23.78</b> | <b>-</b>                  | <b>507.68</b> |

(i) There is no rental income, direct operating expense, fair potential and did not generate rental income recognized in profit and loss for these investment properties

(ii) Fair value of investment properties

| Particulars | € in lakhs    |               |
|-------------|---------------|---------------|
| Fair value  | 31 March 2021 | 31 March 2020 |
|             | 594.24        | 585.39        |

The fair value of investment property has been determined by external, independent property valuers. The Company's annual independent valuation for its investment properties annually and fair value measurement has been disclosed in level 3. The valuations are based on income approach for buildings as well as capitalized income projections.

(iii) Sensitivity analysis

The table below shows the effect of a 1% change in the value of investment property.

| Particulars | € in lakhs    |               |
|-------------|---------------|---------------|
| 1% increase | 31 March 2021 | 31 March 2020 |
| 1% decrease | 20.21         | 29.32         |
|             | (20.21)       | (29.32)       |

(iv) Refer note 37 for recognition of deposits in an investment property.

(v) Capitalised borrowing cost

No borrowing cost has been capitalised on investment property.

(vi) Investment property has been pledged as security for buildings. Refer notes 27 and note 25.

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(The fair value has been independently appraised)



For Valika Limited  
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Valika Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

8. Non-current investments

|   | Name of investment         | Fair value<br>(\$) | Number of shares |               | Amount           |                  |
|---|----------------------------|--------------------|------------------|---------------|------------------|------------------|
|   |                            |                    | 31 March 2017    | 31 March 2018 | 31 March 2017    | 31 March 2018    |
| <b>Trade investments</b>                            |                            |                    |                  |               |                  |                  |
| <b>(i) Investments in equity investments*</b>       |                            |                    |                  |               |                  |                  |
| <b>Investment in subsidiaries</b>                   |                            |                    |                  |               |                  |                  |
| Agria Processors Private Limited                    | Equity (fully paid up)     | 10                 | 0.10             | 0.00          | 1.04             | 1.00             |
| Parsons Dieselco Private Limited                    | Equity (fully paid up)     | 10                 | 0.10             | 0.00          | 1.00             | 1.00             |
| Valika Japan SEZ Developer Limited                  | Equity (fully paid up)     | 10                 | 0.00             | 0.00          | 5.00             | 5.00             |
| SEI Tech Park Developer Private Limited             | Equity (fully paid up)     | 10                 | 1.32             | 1.32          | 1,994.80         | 3,564.83         |
| Green Developer Private Limited                     | Equity (fully paid up)     | 10                 | 0.00             | 0.00          | 1.00             | 1.00             |
| Valika Overseas Limited                             | Equity (fully paid up)     | 100                | 1.00             | 1.00          | 1,032.90         | 1,812.82         |
| <b>Investment in joint ventures</b>                 |                            |                    |                  |               |                  |                  |
| Valika Sovereign Park Private Limited               | Equity (fully paid up)     | 10                 | 3.42             | 3.42          | 2,963.88         | 2,613.58         |
| Valika Servus Education Private Limited             | Equity (fully paid up)     | 10                 | 3.42             | 3.42          | 3,786.78         | 3,786.78         |
| <b>Investment in others</b>                         |                            |                    |                  |               |                  |                  |
| Lanada Developer Private Limited                    | Equity (fully paid up)     | 10                 | -                | 3.65          | -                | 31.88            |
| <b>(ii) Investments in debt securities/bonds</b>    |                            |                    |                  |               |                  |                  |
| <b>Investment in joint ventures</b>                 |                            |                    |                  |               |                  |                  |
| Valika Servus Education Private Limited**           | Non-Convertible Debentures | 10                 | 1,180            | 1,081         | 13,215.55        | 12,215.04        |
| Valika Sovereign Park Private Limited**             | Non-Convertible Debentures | 10                 | 1,135            | 1,131         | 13,737.58        | 13,737.29        |
| <b>Investment in others</b>                         |                            |                    |                  |               |                  |                  |
| Valika Indira Private Limited                       | Non-Convertible Debentures | 1,000,000          | 98.00            | 94.00         | 990.00           | 1,000.00         |
| <b>Less: Impairment in the value of investments</b> |                            |                    |                  |               |                  |                  |
| Valika Overseas Limited                             |                            |                    |                  |               | (1,786.02)       | (1,786.02)       |
| Valika Servus Education Private Limited**           |                            |                    |                  |               | (5,178.32)       | (5,426.32)       |
| Valika Sovereign Park Private Limited**             |                            |                    |                  |               | (914.67)         | (948.67)         |
| <b>Aggregate amount of reported investments</b>     |                            |                    |                  |               | <b>28,225.72</b> | <b>26,597.58</b> |

\*All the investments in equity class of subsidiaries and joint ventures are stated at cost as per Ind AS 27 "Separate Financial Statements".

\*\*During the previous year, the Company has raised our expansion financing with respect to investments in Operability Convertible Debentures pertaining to Valika Servus Education Private Limited and Valika Sovereign Park Private Limited and accordingly, booked an impairment loss of Rs. 2,426.32 lakhs and 31,667 lakhs respectively.

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For Valika Limited

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Vatika Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

5. Loans\*

Assessment: considered good  
 Security: Adequate

| ₹ in lakhs    |               |
|---------------|---------------|
| 31 March 2015 | 31 March 2014 |
| 2,822.00      | 2,489.17      |
| 2,022.09      | 2,036.02      |

\*The Company does not have any loans which are either secured or where there is significant interest in equity

(i) No loans are the beneficiaries or other officers of the Company either directly or jointly with any other person. Further, no loans are due from directors or persons connected with any director or person connected with a director.

(ii) Refer note 45 - For value declaration for disclosure of Director in respect of financial assets recorded at amortized cost and loans. (iii) - For related party transactions for assessment of expected credit losses.

19. Other financial assets

High money deposits\*

| ₹ in lakhs    |               |
|---------------|---------------|
| 31 March 2015 | 31 March 2014 |
| 2,894.40      | 3,554.40      |
| 2,719.76      | 2,738.58      |

\*held in currency for investment in fixed guarantees.

20. Deferred tax assets (net)

Deferred tax liabilities arising on account of:  
 Property, plant and equipment, intangible property and intangible assets  
 Reversal of income and related costs as per Ind AS 115

| ₹ in lakhs    |               |
|---------------|---------------|
| 31 March 2015 | 31 March 2014 |
| 48.15         | 45.22         |
| 11,408.75     | 7,085.61      |
| 11,360.60     | 7,130.83      |

Deferred tax assets arising on account of:

Employee benefits  
 Investments at fair value  
 Effect of expenditure deferred to statement of profit and loss account but allowed for tax purposes in subsequent years  
 Provision for doubtful debtors  
 Carry forward business losses  
 Financial instruments at amortized cost

|           |           |
|-----------|-----------|
| 447.45    | 413.78    |
| 25.44     | 23.81     |
| 16,439.81 | 16,377.27 |
| 1,721.28  | 1,572.51  |
| 28,294.25 | 27,790.87 |
| 207.13    | 491.36    |
| 49,306.31 | 46,685.19 |

NET credit entitlement

|           |           |
|-----------|-----------|
| 187.79    | 183.79    |
| 17,417.26 | 17,413.30 |

Movement in deferred tax assets (net)

| Particulars   | ₹ in lakhs   |  |  |               |
|---|--------------|--|--|---------------|
|   | 1 April 2014 | Recognized in other comprehensive income | Recognized in statement of profit and loss | 31 March 2015 |
| <b>Assets</b>   |              |  |  |               |
| Employee benefits   | 141.48       | (1.18)                                   | 22.45                                      | 162.75        |
| Effect of expenditure deferred to statement of profit and loss account but allowed for tax purposes in subsequent years | 16,377.02    | -  | 2,682.64                                   | 19,059.66     |
| Provision for doubtful debtors  | 1,572.51     | -  | 154.77                                     | 1,727.28      |
| Carry forward business losses   | 27,081.62    | -  | 1,533.64                                   | 28,615.26     |
| Financial instruments at amortized cost   | 447.45       | -  | (1,974.63)                                 | 207.13        |
| GLAT credit entitlement   | 481.79       | -  | -  | 481.79        |
| <b>Liabilities</b>  |              |  |  |               |
| Property, plant and equipment, intangible property and intangible assets  | 85.15        | -  | (37.01)                                    | 48.14         |
| Investments at fair value   | 25.44        | -  | -  | 25.44         |
| Reversal of income and related costs as per Ind AS 115  | (13,945.63)  | -  | (1,668.62)                                 | (15,614.25)   |
| Total   | 27,853.30    | (11.18)                                  | (416.51)                                   | 27,425.61     |

Movement in deferred tax assets (net)

| Particulars   | ₹ in lakhs   |  |  |               |
|---|--------------|--|--|---------------|
|   | 1 April 2014 | Recognized in other comprehensive income | Recognized in statement of profit and loss | 31 March 2015 |
| <b>Assets</b>   |              |  |  |               |
| Employee benefits   | 141.48       | 2.18                                     | 26.56                                      | 170.22        |
| Effect of expenditure deferred to statement of profit and loss account but allowed for tax purposes in subsequent years | 16,235.96    | -  | (1,818.68)                                 | 14,417.28     |
| Provision for doubtful debtors  | 1,572.51     | -  | 268.15                                     | 1,840.66      |
| Carry forward business losses   | 27,081.62    | -  | 3,243.31                                   | 30,324.93     |
| Carry forward loss in unquoted shares   | 2,685.13     | -  | (2,685.13)                                 | -             |
| Financial instruments at amortized cost   | 447.45       | -  | (1,818.95)                                 | 48.50         |
| GLAT credit entitlement   | 481.79       | -  | -  | 481.79        |
| <b>Liabilities</b>  |              |  |  |               |
| Property, plant and equipment, intangible property and intangible assets  | 85.15        | -  | 2.26                                       | 87.41         |
| Investments at fair value   | 25.44        | -  | -  | 25.44         |
| Reversal of income and related costs as per Ind AS 115  | (14,000.00)  | -  | (3,573.66)                                 | (17,573.66)   |
| Total   | 21,253.96    | 2.18                                     | 5,548.17                                   | 26,834.21     |

The Company has GLAT credit entitlement amounting to ₹ 187.79 lakhs and ₹ 183.79 lakhs as at 31 March 2015 and 31 March 2014 respectively. Such tax credit has been recognized in the loss due account & profits in the financial statements.

Relating to financial year ending  
 31 March 2015

Expiry date  
 31 March 2016

| 31 March 2015 | 31 March 2014 |
|---------------|---------------|
| (₹ in lakhs)  | (₹ in lakhs)  |
| 187.79        | 183.79        |
| 187.79        | 183.79        |



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

12. Non-current tax assets (net)

|  | (₹ in lakhs)    |                  |
|--|-----------------|------------------|
|  | 31 March 2021   | 31 March 2020    |
| Prepaid income tax (net of provisions) | 4,265.82        | 10,398.92        |
|  | <u>4,265.82</u> | <u>10,398.92</u> |

13. Other non-current assets

|                  | (₹ in lakhs)  |               |
|------------------|---------------|---------------|
|                  | 31 March 2021 | 31 March 2020 |
| Prepaid expenses | 606.69        | 732.75        |
|                  | <u>606.69</u> | <u>732.75</u> |

14. Inventories\*

|   | (₹ in lakhs)      |                   |
|---|-------------------|-------------------|
|   | 31 March 2021     | 31 March 2020     |
| Development and construction work in progress | 533,537.03        | 541,574.37        |
|   | <u>533,537.03</u> | <u>544,574.37</u> |

(a) Includes inventories of ₹ 15,130.90 lakhs (31 March 2020 : ₹15,130.90 lakhs) pending transfer of registration in the name of the Company.

(b) Development and construction work in progress includes inventory amounting to ₹ 138,611.72 lakhs (31 March 2020 : ₹ 183,109.14 lakhs) pertaining to developed properties.

\* Certain inventories have been pledged as security for liabilities.

15. Trade receivables\*

|   | (₹ in lakhs)     |                  |
|---|------------------|------------------|
|   | 31 March 2021    | 31 March 2020    |
| Trade receivables - unsecured, considered good    | 16,033.17        | 16,289.29        |
| Trade receivables - credit impaired               | 2,211.84         | 1,780.37         |
| Unbilled receivables                              | 1,279.34         | 1,313.57         |
|   | <u>19,524.35</u> | <u>19,383.23</u> |
| Less: Expected credit losses on trade receivables | 2,211.84         | 1,780.37         |
|   | <u>17,312.51</u> | <u>17,602.85</u> |

\* There are no trade receivables which are credit impaired or where there was significant increase in credit risk other than those disclosed above.

(i) Certain trade receivables have been pledged as security for liabilities.

(ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies respectively in which any director is partner, director or a member.

(iii) The carrying values of trade receivables are considered to be a reasonable approximation of fair value.

(iv) Refer note 46 - Financial risk management for assessment of expected credit losses.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

16. Cash and cash equivalents

|   | (₹ in lakhs)    |                 |
|---|-----------------|-----------------|
|   | 31 March 2021   | 31 March 2020   |
| Balances with banks in current accounts | 4,157.88        | 2,273.21        |
| Cash on hand                            | 14.00           | 0.04            |
|   | <u>4,171.88</u> | <u>2,273.25</u> |

(i) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

17. Other bank balances

|                       | (₹ in lakhs)    |                 |
|-----------------------|-----------------|-----------------|
|                       | 31 March 2021   | 31 March 2020   |
| Margin money deposits | 5,989.47        | 4,474.42        |
|                       | <u>5,989.47</u> | <u>4,474.42</u> |

(i) Margin money deposits have been pledged as security for bank guarantees issued in favour of various statutory authorities and financial institutions maturing till 31 March 2021.

(ii) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

18. Loans\*

|                            | (₹ in lakhs)    |                 |
|----------------------------|-----------------|-----------------|
|                            | 31 March 2021   | 31 March 2020   |
| Unsecured, considered good |                 |                 |
| Security deposits          | 6,006.28        | 5,828.43        |
| Loans to employees         | 16.80           | 17.15           |
|                            | <u>6,023.08</u> | <u>5,845.58</u> |

\* The Company does not have any loans which are either credit impaired or where there is significant increase in credit. The carrying values are considered to be a reasonable approximation of fair value.

19. Other financial assets

|  | (₹ in lakhs)    |                  |
|--|-----------------|------------------|
|  | 31 March 2021   | 31 March 2020    |
| Unsecured, considered good unless otherwise stated   |                 |                  |
| Amount recoverable from investors                    | 820.39          | 894.42           |
| Amount recoverable from related parties <sup>†</sup> | 3,232.97        | 20,875.33        |
| Advance for land                                     |                 |                  |
| - Considered doubtful                                | 2,399.93        | 2,399.93         |
| Less: Allowance for expected credit loss             | (2,399.93)      | (2,399.93)       |
|  | <u>4,053.36</u> | <u>21,769.74</u> |

The carrying values are considered to be a reasonable approximation of fair value.

<sup>†</sup> Includes amount of ₹ 3,232.97 lakhs (31 March 2020 : ₹ 19,397.86 lakhs) receivable with respect to sale of investments. Refer note 58 for further details.

20. Other current assets

|  | (₹ in lakhs)      |                   |
|--|-------------------|-------------------|
|  | 31 March 2021     | 31 March 2020     |
| Unsecured, considered good unless otherwise stated |                   |                   |
| Advance for land                                   | 87,453.61         | 103,370.74        |
| Advances to related parties                        | 367,453.12        | 365,667.27        |
| Advance license fees                               | 147.15            | 56.73             |
| Advance to suppliers                               |                   |                   |
| - Considered good                                  | 1,346.20          | 2,664.41          |
| - Considered doubtful                              | 319.79            | 319.79            |
| Balances with statutory authorities                | 1,475.43          | 840.94            |
| Prepaid expenses                                   | 3,675.32          | 4,182.88          |
| Stamp paper in hand                                | 13.07             | 13.07             |
| Less: Impairment of non financial asset            | (319.79)          | (319.79)          |
|  | <u>461,563.90</u> | <u>476,796.01</u> |



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For Vatika Limited

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**Vatika Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

**21. Equity share capital**

**Authorised capital**

60,000,000 (31 March 2020: 60,000,000) Equity shares of ₹ 10 each  
5,000,000 (31 March 2020: 5,000,000) Preference shares of ₹ 10 each

|  |  | (₹ in lakhs)    |                 |
|--|--|-----------------|-----------------|
|  |  | 31 March 2021   | 31 March 2020   |
|  |  | 6,000.00        | 6,000.00        |
|  |  | 500.00          | 500.00          |
|  |  | <u>6,500.00</u> | <u>6,500.00</u> |
|  |  |                 |                 |
|  |  | 5,500.00        | 5,500.00        |
|  |  | <u>5,500.00</u> | <u>5,500.00</u> |

**Issued, subscribed capital and fully paid up**

55,608,209 (31 March 2020: 55,608,209) equity shares of ₹ 10 each

|  |  |                 |                 |
|--|--|-----------------|-----------------|
|  |  | 5,560.82        | 5,560.82        |
|  |  | <u>5,560.82</u> | <u>5,560.82</u> |

**g) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Equity shares at the beginning of the year

Issued during the year

Equity shares at the end of the year

|  |  | 31 March 2021  |                 | 31 March 2020  |                 |
|--|--|----------------|-----------------|----------------|-----------------|
|  |  | No. of shares  | (₹ in lakhs)    | No. of shares  | (₹ in lakhs)    |
|  |  | 556,082        | 5,560.82        | 556,082        | 5,560.82        |
|  |  | <u>556,082</u> | <u>5,560.82</u> | <u>556,082</u> | <u>5,560.82</u> |

**h) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**i) Details of shareholders holding more than 1% shares in the Company**

Equity shares of ₹ 10 each fully paid up

Lal Shaha

Kanchan Shaha

Ganesh Shaha

Exceler Projects Private Limited

Hux Developers Private Limited

|  |  | As on 31 March 2021 |           | As on 31 March 2020 |           |
|--|--|---------------------|-----------|---------------------|-----------|
|  |  | No. of shares       | % holding | No. of shares       | % holding |
|  |  | 275,30              | 49.07%    | 271,31              | 48.97%    |
|  |  | 26,14               | 4.69%     | 28,34               | 5.06%     |
|  |  | 40,58               | 7.29%     | 44,34               | 7.95%     |
|  |  | 70,50               | 12.68%    | 68,31               | 12.28%    |
|  |  | 129,02              | 23.17%    | 128,02              | 22.94%    |

**j) Buy back of shares, issue of bonus shares or shares issued without payment received in cash**

The Company does not have any shares issued for consideration other than cash during the immediately preceding five years. The Company did not buy back any shares during immediately preceding five years.

**k) Shares reserved for issue under options**

During the year ended 31 March 2015, 1,05,146 preference shares of ₹ 10 each were converted into 7,605,405 equity shares of ₹ 10 each fully paid up. The said conversion was approved by the shareholders of the Company vide special resolutions in their Extraordinary General Meetings dated 18 November 2014 and 21 December 2014.

Each holder of preference share was entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to preference shares. In the event of liquidation of the Company before conversion of preference shares, the holder of preference shares would have priority over equity shares in payment of dividend and in payment of capital.

There are no other shares reserved for issue under options.

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For Vatika Limited

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Vatika Limited

Summary of significant accounting policies and notes explanatory information for the year ended 31 March 2021

|  | 31 March 2021      | (₹ in lakhs)<br>31 March 2020 |
|--|--------------------|-------------------------------|
| <b>22. Other equity</b>  |                    |                               |
| Securities premium account   | 59,189.31          | 59,189.31                     |
| <b>Deficit in the Statement of Profit and Loss</b>   |                    |                               |
| Opening balance  | (35,771.34)        | (7,929.74)                    |
| Add: Profit/(loss) for the year  | 517.89             | (27,837.43)                   |
| Add: Other comprehensive income/(loss) for the year from remeasurement of employee benefit obligations, net of tax | 26.95              | (1.07)                        |
| Closing balance  | <u>(35,226.49)</u> | <u>(35,771.34)</u>            |
| Debitaire redemption reserve*  | 4,651.08           | 4,651.08                      |
|  | <u>28,653.02</u>   | <u>28,660.07</u>              |

\* The Company has created Debitaire Redemption Reserve to the extent of available profits, as required under the provisions of Companies Act, 2013.

**Nature and purpose of other reserves**

**Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with provisions of the Companies Act 2013.

**Retained earnings**

Retained earnings are created from the profit/loss of the Company, as adjusted for distribution to owners, transfers to other reserves etc.

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For Vatika Limited

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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

|  | (₹ in lakhs)     |                  |
|--|------------------|------------------|
|  | 31 March 2021    | 31 March 2020    |
| <b>23. Borrowings - Non-current</b>  |                  |                  |
| <b>Secured</b>   |                  |                  |
| <b>Term loans</b>  |                  |                  |
| From banks (refer note 22)   | 13.30            | 34.49            |
| From others (refer note 22)  | 29,343.25        | 38,322.36        |
| <b>Debentures</b>  |                  |                  |
| 1,460 (31 March 2020 - 1,460) 11.30% coupon debentures of ₹ 1,000,000 each (refer note 22(i))  | 14,600.00        | 14,600.00        |
|  | <u>43,956.55</u> | <u>42,956.79</u> |
| <b>Amount disclosed under other financial liabilities (refer note 29):</b>   |                  |                  |
| Current maturities of long-term debt   | 31,519.74        | 30,326.10        |
| Interest accrued   | 3,198.37         | 428.63           |
| <b>Notes:</b>  |                  |                  |
| (i) Term loans guaranteed by directors and others (including current maturities)   |                  |                  |
| Term loan from banks   | -                | -                |
| Term loan from others  | 81,450.69        | 103,412.32       |
| (ii) Equipment terms and security disclosure for the outstanding long-term borrowings (including current maturities). Refer table below.   |                  |                  |
| (iii) Refer note 45 - Fair value disclosures for disclosure of fair value in respect of financial liabilities measured at amortised cost and note 46 - Financial risk management for liquidity risk. |                  |                  |

Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities) as on 31 March 2021:

(i) Term loans from banks:

Vehicle loans of ₹ 31.45 lakhs (31 March 2020 - ₹ 74.37 lakhs) is issued by way of hypothecation of underlying vehicles. The outstanding amount is repayable in thirty six months to sixty months from their respective dates of disbursement.

(ii) Term loans from others:

(a) Term loan of ₹ 957.88 lakhs (31 March 2020 - ₹ 1,339.07 lakhs) is secured by way of (i) Corporate guarantee of group companies along with title deeds of group companies immovable property (ii) Personal guarantee of promoters / directors of the Company. The outstanding amount is repayable in sixty monthly installments starting from 5 May 2017, and interest payments starting from 5 April 2017.

(b) Term loan of ₹ 1,239.98 lakhs (31 March 2020 - ₹ 1,988.91 lakhs) is secured by way of (i) Corporate guarantee of group companies along with title deeds of group companies immovable property (ii) Personal guarantee of promoters / directors of the Company. The outstanding amount is repayable in sixty monthly installments starting from May 2017 and interest payments starting from April 2017.

(c) Term loan of ₹ 9,291.93 lakhs (31 March 2020 - ₹ 11,002.22 lakhs) is secured by way of (i) title deeds of group companies immovable property and first and extensive charge on the receivables of the sanctioned projects/land (ii) Personal guarantee of promoters / directors of the Company (iii) demand promissory note executed by the borrower in favour of the lender. The interest on the outstanding amount is payable monthly throughout the loan tenure of 86 months starting from 5 July 2018 and the principal amount is payable in 72 monthly installments starting from 5 May 2019.

(d) Term loan of ₹ 1,195.22 lakhs (31 March 2020 - ₹ 1,259.26 lakhs) is secured by way of (i) title deeds of group companies immovable property and first and extensive charge on the receivables of the sanctioned projects/land (ii) Personal guarantee of promoters / directors of the Company (iii) demand promissory note executed by the borrower in favour of the lender. The interest on the outstanding amount is payable monthly throughout the loan tenure of 79 months starting from 5 July 2018 and the principal amount is payable in 71 monthly installments starting from 5 April 2019.

(e) Term loan of ₹ 27,307.19 lakhs (31 March 2020 - ₹ 31,956.61 lakhs) is secured by way of (i) title deeds of group companies immovable property and first and extensive charge on the receivables of the sanctioned projects/land (ii) Personal guarantee of promoters / directors of the Company (iii) demand promissory note executed by the borrower in favour of the lender. The outstanding amount is repayable in sixty monthly installments starting from 5 May 2019.

(f) Term loan of ₹ 1,346.75 lakhs (31 March 2020 - ₹ 1,897.89) is secured by way of (i) title deeds of group companies immovable property and first and extensive charge on the receivables of the sanctioned projects/land (ii) Personal guarantee of promoters / directors of the Company (iii) demand promissory note executed by the borrower in favour of the lender. The outstanding amount is repayable in sixty monthly installments starting from 5 September 2019.

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For Vatika Limited

Authorised Signatory

**Vatika Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

**(ii) Non-convertible debentures:**

(i) On 29 June 2018, the Company had issued 3,169 secured, indexed, variable, fully redeemable, non-convertible, zero coupon debentures of face value of ₹ 1000 lakhs each, at a discount of ₹ 230 lakhs per debenture, aggregating to ₹ 31,699 lakhs with a maturity period of not more than 24 months from the date of allotment. During the previous years, the Company had redeemed 1,419 debentures at a value of ₹ 8.49 lakhs per debenture. During the year ended 31 March 2021, the Company has redeemed the remaining 1,750 debentures at a value of ₹ 7.70 lakhs per debenture. The same were secured by: (i) Title deeds of group companies immovable property (ii) Personal guarantee of promoters / directors of the Company.

(ii) On 25 December 2016, the Company issued 2,200 secured, indexed, variable, fully redeemable, non-convertible debentures of face value of ₹ 1000 lakhs each, aggregating to ₹ 22,00,000 lakhs. Coupon rate of these debentures is 15.50% with a maturity period of not more than 72 months from the date of allotment, redeemable in 17 quarterly instalment starting from 31 December 2018. The same are secured by:-

(i) First ranking exclusive charge by way of mortgage on the security providers share in various projects of Vatika group so as to give minimum security cover of 1.7x to the subscriber including mortgage on any saleable area.

(ii) First ranking exclusive charge on all movable assets of the security providers, cash flows, receivables arising out of all the mortgage properties and escrow accounts maintained by security providers.

(iii) Non disposable and negative lien undertaking over 100% shares of Vatika One India Real Private Limited ('VOIRPL').

(iv) Personal guarantee of Promoters.

(v) Cross corporate guarantees from Company and VOIRPL.

(vi) Post dated / undated cheques from the issuer.

(vii) Demand Promissory notes from the issuer.

(viii) Issuer will make available additional security/ receivables cover to the satisfaction of subscriber in case of any decline in security / cash flow cover.

(iii) On 23 December 2016, the Company issued 800 secured, indexed, variable, fully redeemable, non-convertible, partly paid debentures of face value of ₹ 1000 lakhs each, aggregating to ₹ 8,00,000 lakhs. Coupon rate of these debentures is 15.50% with a maturity period of not more than 72 months from the date of allotment, redeemable in 17 quarterly instalment starting from 31 December 2018. The same are secured by:-

1) First ranking exclusive charge by way of mortgage on the Security providers share in various projects of Vatika group so as to give minimum security cover of 1.7x to the subscriber including mortgage on any saleable area.

2) First ranking exclusive charge on all movable assets of the security providers, cash flows, receivables arising out of all the mortgage properties and escrow accounts maintained by security providers.

3) Non disposable and negative lien undertaking over 100% shares of VOIRPL.

4) Personal guarantee of Promoters.

5) Cross corporate guarantees from Company and VOIRPL.

6) Post dated / undated cheques from the issuer.

7) Demand Promissory notes from the issuer.

8) Issuer will make available additional security/ receivables cover to the satisfaction of subscriber in case of any decline in security / cash flow cover.

(iv) On 30 June 2017, the Company issued 1,400 secured, indexed, variable, fully redeemable, non-convertible debentures of face value of ₹ 1000 lakhs each, aggregating to ₹ 14,00,000 lakhs. Coupon rate of these debentures is 15.50% with a maturity period of not more than 48 months from the date of allotment. The same are secured by first exclusive charge and registered equitable mortgage of Group Housing Project - spread across 12,212 sq. ft. located at Sector 88B, Gurgaon and first charge on all the movable and immovable assets of the Identified Security, both present and future.

**(iv) Rate of interest:**

The Company's long term borrowings have weighted average rate of 12.36% p.a. (31 March 2020: 12.52% p.a.).

**(v) Other information**

(i) During the year ended 31 March 2021, there had been debts by the Company in payment interest of ₹ 426.72 lakhs and ₹ 61.03 lakhs on interest bearing non-convertible debentures issued to Individuals High Yield and Individuals Opportunity Fund. Upon the balance sheet date, the debt is payment of the above mentioned amounts was within a period of 0-99 days.

**(ii) 31 March 2021:**

Non-current borrowings (including current maturities of non-current borrowings) include balances amounting to ₹ 35,843.91 lakhs as per the books of accounts as at 31 March 2021 in respect of which there is a reconciliation gap of ₹ 13,047.24 lakhs between the balance confirmed by the lenders through confirmations and the balance of the borrowings as per the books of accounts.

During the year and subsequent to year ended 31 March 2021, the Company has managed to arrive at written understanding with certain lenders. In accordance with terms of aforesaid understanding, if the amounts are paid by the Company within a defined period of time, then, the amount payable on conclusion of the aforesaid understandings will not exceed the liability (comprising principal and interest) provided in the books of accounts as at 31 March 2021 with respect to these borrowings. Further, the Company is in the advance stages of discussions for similar resolutions with the certain other lenders. Further, refer note 29 for details with respect to borrowings availed for Abacus Capital India Limited.

The statutory auditors have expressed an emphasis of matter on the above matter in their audit report on the standalone financial statements for the year ended 31 March 2021.

**(ii) 31 March 2020:**

Non-current borrowings (including current maturities of non-current borrowings) include balances amounting to ₹ 49,663.91 lakhs as per the books of accounts as at 31 March 2020 in respect of which there is a reconciliation gap of ₹ 5,880.50 lakhs between the balance confirmed by the lenders through direct confirmation and the balance of the borrowings as per the books of accounts. The Company is in the process of reconciling the above mentioned differences with the lenders and believes that the amount payable on conclusion of reconciliation process will not exceed the liability provided in books in respect of these borrowings.



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For Vatika Limited

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Valika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

| 24. Other financial liabilities | (₹ in lakhs)    |                 |
|---------------------------------|-----------------|-----------------|
|                                 | 31 March 2021   | 31 March 2020   |
| Security deposits               |                 |                 |
| - commercial leasing            | 2,141.04        | 1,979.58        |
|                                 | <u>2,141.04</u> | <u>1,979.58</u> |

Refer note 45 - Fair value disclosures for disclosure of fair value in respect of financial liabilities measured at amortised cost.

| 25. Long-term provisions        | (₹ in lakhs)  |               |
|---------------------------------|---------------|---------------|
|                                 | 31 March 2021 | 31 March 2020 |
| Provision for employee benefits |               |               |
| Gratuity                        | 337.43        | 312.57        |
| Compensated absences            | 77.57         | 81.85         |
| Other provisions                |               |               |
| Contingencies                   | 448.70        | 440.69        |
|                                 | <u>863.70</u> | <u>835.11</u> |

(i) Information about individual provisions and significant estimates

For disclosures related to provision for employee benefits, refer note 44- Employee benefit obligations

Provision for contingencies

Provision for contingencies represents the estimated liability on various cases against the Company. Based on the management assessment, the Company has provided for the cases where it is probable that cash outflow shall be required to settle the obligation for unfavorable decision against the Company.

(ii) Movement in provision related to contingencies during the financial year

|  | (₹ in lakhs)  |               |
|--|---------------|---------------|
|  | 31 March 2021 | 31 March 2020 |
| As at beginning of reporting period                            | 3,196.08      | 1,741.86      |
| Additions during the year                                      | -             | 398.64        |
| Increase in the discounted amount arising from passage of time | -             | 55.58         |
| Provision no longer required, written back                     | (573.61)      | -             |
| Amount reclassified as current                                 | (1,175.77)    | (1,755.39)    |
| As at end of reporting period                                  | <u>448.70</u> | <u>440.69</u> |

| 26. Other non-current liabilities            | (₹ in lakhs)  |                 |
|--|---------------|-----------------|
|  | 31 March 2021 | 31 March 2020   |
| Deferred income (against commercial leasing) | 817.80        | 1,076.82        |
|  | <u>817.80</u> | <u>1,076.82</u> |



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For Valika Limited  
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**Vatika Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

**27. Borrowings - Current\***

|  | (₹ in lakhs)      |                   |
|--|-------------------|-------------------|
|  | 31 March 2021     | 31 March 2020     |
| <b>Secured</b>   |                   |                   |
| <b>Term loans</b>  |                   |                   |
| From others (refer note 30(i) to 30(v) below)                | 119,594.97        | 117,643.52        |
| Inter-corporate deposits (refer note 30 below)               | 2,725.00          | 4,491.00          |
| <b>Debentures</b>  |                   |                   |
| 120 debentures of ₹ 1000 lakhs each (refer note 30(i) below) | 1,200.00          |                   |
| <b>Unsecured</b>   |                   |                   |
| Inter-corporate deposits (refer note 30 below)               | 130.04            | 173.00            |
|  | <u>119,594.97</u> | <u>122,468.52</u> |

\*Classified based on the operating cycle of the Company for project specific liabilities

**Notes**

a) Loans guaranteed by directors and others

Term loan from others

29,321.00      29,092.56

(b) Refer note 45 - Fair value disclosure for disclosure of fair value in respect of financial liabilities measured at amortised cost and note 46 - Financial risk management for liquidity risk

Repayment terms and security disclosure for the outstanding short-term borrowings as on 31 March 2021:

(i) Term loans from others

(i) Term loan of ₹ 2,122.06 lakhs (31 March 2020 - ₹ 3,494.81 lakhs) is repayable in single bullet payment on 31 March 2024.

(ii) Term loan of ₹ 19,513.87 lakhs (31 March 2020 - ₹ 19,142.15 lakhs) is repayable in 12 quarterly installments of ₹ 1,599 lakhs each commencing from 31 March 2021.

(iii) Term loan of ₹ 3,816.93 lakhs (31 March 2020 - ₹ 4,935.42 lakhs) is repayable in 3 quarterly installments of ₹ 280 lakhs each commencing from 30 June 2021 and 6 quarterly installments of ₹ 160 lakhs each commencing from 31 March 2022.

(iv) Term loan of ₹ 26,156.31 lakhs (31 March 2020 - ₹ 28,488.36 lakhs) is repayable ₹ 902.01 lakhs on 31 March 2021 and remaining in 13 quarterly installments of ₹ 2,080.00 lakhs each commencing from 30 June 2021.

(v) Term loan of ₹ 15,109.59 lakhs (31 March 2020 - ₹ 15,025.67 lakhs) is repayable in ₹ 116.32 lakhs on 31 March 2021, ₹ 900.00 lakhs on 30 June 2021, six quarterly installments of ₹ 1,106.00 lakhs each commencing from 30 September 2021 and six quarterly installments of ₹ 1,034.00 lakhs each commencing from 31 March 2022.

(vi) Term loan of ₹ 11,117.62 lakhs (31 March 2020 - ₹ 8,127.37 lakhs) is repayable in ₹ 1,129.11 lakhs on 31 December 2021, two quarterly installments of ₹ 3,000 lakhs each commencing from 31 March 2022 and twelve quarterly installments of ₹ 75.00 lakhs each commencing from 30 September 2022.

These are secured by Extension of mortgage of land admeasuring 390.25 acres - project "Vatika Inlets Near" at Sector 01, 02, 02A, 45, 46 and 66 - Gurgaon and receivables therefrom and construction thereon present and future and all accretions accruing therefrom, Extension of mortgage of land admeasuring 24,227 sqft of the project "Vatika City, Sector Road, Gurgaon" and receivables therefrom and construction thereon present and future and all accretions accruing therefrom, Extension of mortgage of project land "Vatika City" at Jajpur Amber Road and receivables therefrom and construction thereon present and future along with the unutilised Plot No. 105/106, Extension of mortgage of the project "Vishwasth" at Jajpur Amber Road, Jajpur and receivables therefrom and construction thereon present and future, Extension of mortgage on "Vatika Inlet Park" Project land admeasuring 8,795 acres at Faridkot and receivables therefrom and construction thereon present and future and Extension of first charge on TDS/A/c with IDFC Bank Limited.

Except first loan above, Irrevocible and non-conditional personal guarantee of Anil Bhatia, Gaurav Bhatia and Gaurav Bhatia.

(g) Term loan of ₹ 1,231.88 lakhs (31 March 2020 - ₹ 1,264.91 lakhs) is repayable in 96 monthly installments of ₹ 12.80 lakhs each commencing from 30 April 2019. The loan is secured by way of:  
1. First Equitable mortgage of Commercial Area measuring 2,678 sq ft located at Sector 10 and 11, 238 sq ft located at Sector 10 and appropriate Land Share in Block A at Vatika Business Park, Sector 49.

2. Extension of First Equitable Mortgage on entire Vatika Inlet Park City Jajpur Project construction thereon present and future alongwith the unutilised PSI and unutilised area and any further land acquired during the tenure of loan. Extension of charge on entire sales proceeds/receivables arising from Sold & unutilised Area of the above mentioned Project.

3. Extension of Mortgage on 320.25 acres of project Vatika Inlet Near and construction thereon present and future alongwith the unutilised PSI and unutilised area and any further land acquired during the tenure of loan. (Extension of charge on entire sales proceeds/receivables arising from Sold & unutilised Area of the above mentioned Project) spread over 301.56 acres.

4. Personal Guarantee of Anil Bhatia, Gaurav Bhatia & Gaurav Bhatia.

5. Irrevocable letter of Confirmation from all Lenders from depositing seat in existing Escrow Account.

6. First Charge on lease rentals/receivables of Spher Global Technology and Opus Mobile via an escrow mechanism.

(h) Term loan of ₹ 315.16 lakhs (31 March 2020 - ₹ 630.32 lakhs) is repayable in 36 equal installments of ₹ 41.00 lakhs each and 5th installment for the balance amount, payable at the end of every month starting from 31 July 2019 and is secured by equitable mortgage of land and building and admeasuring 1,304 sqft village siteplots, Gurgaon, hypothecation of the receivables of commercial property namely Market place - II and unconditional personal guarantee of Anil Bhatia, Gaurav Bhatia and Gaurav Bhatia.

(i) Term loan of ₹ 2,793.94 lakhs (31 March 2020 - ₹ 4,278.51 lakhs) is repayable in 54 monthly installments starting from 6 March 2019 with 18 month moratorium period and is secured by mortgage of entire unutilised 133 acres of project at Gurgaon 21 along with deposit of (net deed) for entire Gurgaon 21 land admeasuring approx 18,780 acres situated at sector 43.

(j) Term loan of ₹ 2,120.05 lakhs (31 March 2020 - ₹ 2,122.04 lakhs) is repayable in 4 installments of ₹ 45 lakhs each starting from 05 May 2020, 41 equal monthly installments of ₹ 71,200 lakhs each starting from 05 September 2020 and 6th installment for the balance amount, with 24 month moratorium period and is secured by mortgage of project Market place I land admeasuring approx 1,521.25 acres situated at sector 43, Gurgaon.

(k) Term loan of ₹ 49.80 lakhs (31 March 2020 - ₹ 49.80 lakhs) is repayable in 48 equal monthly installments of ₹ 1.03 lakhs each starting from 05 April 2019 with 18 month moratorium period and is secured by mortgage of project Gurgaon 21 having land admeasuring approx 18,780 acres situated at sector 43, Gurgaon.

(l) Term loan of ₹ 15,025.19 lakhs (31 March 2020 - ₹ 11,592,505 lakhs) is repayable in 12 quarterly installments from 5th quarter with 2 year moratorium period and is secured by exclusive charge, through storage of land of project, with receivables therefrom and hypothecation of receivable assets both present & future.

(m) Term loan of ₹ 11,549.64 lakhs (31 March 2020 - ₹ 13,196.45 lakhs) is repayable in 100 equal monthly installments of ₹ 350.95 lakhs and is secured by way of first and exclusive charge on Tower A & B, Sector 27B, Faridkot with first and exclusive charge on present and future receivables from the above mentioned project and personal guarantee by promoter/director of the Company.

(n) Non-convertible debentures of ₹ 1,200.00 lakhs repayable in 12 quarterly installments starting from September 2021 and is secured by way of (i) first and exclusive mortgage of land of 15.6 acres (Phase I and Phase II), (ii) Hypothecation of assets and receivables from Phase I and II, (iii) Extension of Phase I and II conditions and personal guarantee of promoter.

(o) Inter-corporate deposits - secured:

Secured loan of ₹ 2,725.00 lakhs (31 March 2020 - ₹ 4,650.00 lakhs) is repayable as demanded by the lenders. The Company has secured the repayment of inter-corporate deposits, by provisional letter of allotment of plots/commercial area in the proposed residential and corporate guarantee of group companies along with personal guarantee of directors.

(p) Inter-corporate deposits - unsecured:

Unsecured loan of ₹ 130.04 lakhs (31 March 2020 - ₹ 173.00 lakhs) is repayable as demanded by the lenders.

(q) Rate of Interest

The Company's short-term borrowings have contracted weighted average rate of 14.01 % p.a. (31 March 2020 - 14.30 % p.a.).



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**Vatika Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

**(v) Other information**

**(a)(i) 31 March 2021:**

There have been delays by the Company in payment of interest of ₹ 2,687.88 lakhs on term loans taken from Housing Development Finance Corporate Limited. The delay in payment of the above-mentioned amounts was within a bracket of 90-180 days. The delays have been made good by the Company as at the balance sheet date.

Further, there have been delays by the Company in payment of interest of ₹ 2,244.05 lakhs on term loans taken from Housing Development Finance Corporate Limited and principal balance of ₹ 3,835.00 lakhs on the term corporate deposits taken. Upon the balance sheet date, the delay in payment of the interest on term loan taken Housing Development Finance Corporate Limited was within a bracket of 0-90 days and the principal balance of term corporate deposits was outstanding for more than 365 days.

**(a)(ii) 31 March 2020:**

There have been delays by the Company in payment of interest of ₹ 12,332.93 lakhs on term loans taken from Housing Development Finance Corporate Limited. The delay in payment of the above-mentioned amounts was within a bracket of 0-90 days. The delays have been made good by the Company as at the balance sheet date.

Further, there have been delays by the Company in payment of interest of ₹ 134.00 lakhs on term loans taken from Housing Development Finance Corporate Limited and the Company has also delayed on interest of ₹ 165.81 lakhs and principal balance of ₹ 4,825.00 lakhs on the term corporate deposits taken. Upon the balance sheet date, the delay in payment of the above-mentioned amounts was within a bracket of 0-90 days.

**(b)(i) 31 March 2021:**

Current borrowings include balances amounting to ₹ 31,084.43 lakhs as per the books of accounts as at 31 March 2021 in respect of which there is a reconciliation gap of ₹ 8,735.72 lakhs between the balance confirmed by the lenders through confirmations and the balance of the borrowings as per the books of accounts. Further, in respect of current borrowings amounting to ₹ 3,855.00 lakhs, the confirmations from the lenders have not been received.

During the year and subsequent to year ended 31 March 2021, the Company has managed to arrive at written understanding with certain lenders. In accordance with terms of aforesaid understanding, if the amounts are paid by the Company within a defined period of time, then, the amount payable on conclusion of the aforesaid resolutions will not exceed the liability (comprising principal and interest) provided in the books of accounts as at 31 March 2021 with respect to these borrowings. Further, the Company is at the advance stages of discussions for similar resolutions with the certain other lenders.

The statutory auditors have expressed an emphasis of matter on the above matter in their audit report on the standalone financial statements for the year ended 31 March 2021.

**(b)(ii) 31 March 2020:**

Current borrowings include balances amounting to ₹ 35,356.02 lakhs as per the books of accounts as at 31 March 2020 in respect of which there is a reconciliation gap of ₹ 2,930.99 lakhs between the balance confirmed by the lenders through their confirmations and the balance of the borrowings as per the books of accounts. The Company is in the process of reconciling the above-mentioned differences with the lenders and believe that the amount payable on conclusion of reconciliation process will not exceed the liability provided in books in respect of these borrowings.

**26. Trade payables**

**A) Due to micro and small enterprises\***

| (₹ in lakhs)    |                 |
|-----------------|-----------------|
| 31 March 2021   | 31 March 2020   |
| 2,552.19        | 5,108.42        |
| <u>2,552.19</u> | <u>5,108.42</u> |

\*Disclose under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act, 2006") as at 31 March 2021 and 31 March 2020:

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSME Act, 2006) and based on the information available with the Company, the following are the details:

| Particulars  | 31 March 2021<br>(₹ in lakhs) | 31 March 2020<br>(₹ in lakhs) |
|--|-------------------------------|-------------------------------|
| (i) the principal amount and the interest due to micro enterprises up to an supplier as at the end of each accounting year;  | 2,552.19                      | 5,108.42                      |
| (ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;   | -                             | -                             |
| (iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;   | -                             | -                             |
| (iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and   | -                             | -                             |
| (v) the amount of further interest remaining due and payable over to the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disclosure as a deductible expenditure under section 23. | -                             | -                             |

The above information regarding Micro, Small and Medium Enterprises has been determined in the extent such parties have been identified on the basis of information available with the Company.

The Company enters into contracts with MSME entities as per Indian Contract Act, 1872 and for safeguarding its interest, the Company deposits certain amounts as a retention against the performance warranty or defect liability period. In some cases, the payment terms also include payment to be made within 90 days or maybe higher or lower period from the date of acceptance of the contract which is agreed by the MSME vendor as per the contract/agreement.

The Micro and Small Enterprises (DISE) have a right to waive/forgo/surrender their aforesaid statutory rights contractually in order to abide by the terms of the contracts in larger interest of their own business. In line with accepted trade practices, the Company enters into contracts with MSME with credit period in excess of the period specified under MSME Act. The Company has not accrued the interest on the payments due to the above-mentioned enterprises in the financial statements for the year ended 31 March 2021.

**B) Other payables**

Total outstanding dues of creditors other than micro enterprises and small enterprises

|                  |                  |
|------------------|------------------|
| 31,317.79        | 19,301.86        |
| <u>22,794.48</u> | <u>24,412.52</u> |



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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

23. Other financial liabilities

|  | (₹ in lakhs)     |                  |
|--|------------------|------------------|
|  | 31 March 2021    | 31 March 2020    |
| Current maturities of non-current borrowings (refer note a below)      | 37,519.74        | 51,526.30        |
| Interest accrued on borrowings   | 3,298.37         | 826.63           |
| Security deposits received from customers against maintenance services | 4,841.74         | 4,603.20         |
| Security deposits  |                  |                  |
| - commercial banking   | 963.75           | 1,692.71         |
| - others   | 1,789.37         | 1,019.54         |
| Payable to related parties   | 4,736.44         | 1,556.16         |
| Other payables   |                  |                  |
| - bank overdraft   | 4,794.33         | 4,313.07         |
| - Payable to employees   | 100.61           | 784.83           |
|  | <u>57,915.35</u> | <u>65,181.52</u> |

The carrying values of above are considered to be a reasonable approximation of their fair value.

(a) During the year ended 31 March 2020, current maturities of non-current borrowings included balances amounting to ₹ 25,661.75 lakhs which were classified as Non-Performing Assets (NPAs) by Abco Capital India Limited ('Abco'). Abco had filed an application before the National Company Law Tribunal, Chandigarh (NCLT) under Section 7 of the Insolvency and Bankruptcy Code, 2016, for the recovery of outstanding dues from the Company. Subsequent to year ended 31 March 2021, a joint application along with the consent terms agreed, was filed by Abco and the Company with the NCLT for withdrawal of the application filed for the recovery of the outstanding dues. Accordingly, the withdrawal application has been allowed by the NCLT and matter was dismissed as withdrawn. Further, in respect of the above-mentioned borrowings, the confirmation from Abco has not been received.

24. Other current liabilities

|                                      | (₹ in lakhs)      |                   |
|--------------------------------------|-------------------|-------------------|
|                                      | 31 March 2021     | 31 March 2020     |
| Advances from customers              | 306,181.27        | 329,166.91        |
| Advances received for land purchases | 44,587.99         | 45,856.01         |
| Supplier dues                        |                   |                   |
| - Goods related payable*             | 38,873.31         | 76,844.36         |
| - Others                             | 1,712.88          | 1,268.84          |
| Deferred income                      | 265.75            | 282.47            |
|                                      | <u>389,813.89</u> | <u>453,418.59</u> |

\* Out of the above ₹ 11,476.29 lakhs (31 March 2020 - ₹ 4,368.29 lakhs) is not due for payment as per the Balance Sheet date as per the terms and conditions of the license as the same is as per the deferred payment plan.

25. Short-term provisions

|                                 | (₹ in lakhs)     |                  |
|---------------------------------|------------------|------------------|
|                                 | 31 March 2021    | 31 March 2020    |
| Provision for employee benefits |                  |                  |
| - Compensated absences          | 15.82            | 11.61            |
| Other provisions                |                  |                  |
| - Provision for expected costs  | 50,619.16        | 11,916.30        |
| - Contingencies                 | 1,173.71         | 1,756.39         |
|                                 | <u>52,808.69</u> | <u>13,684.30</u> |

Movement in provision for expected costs during the financial year:

|                                     | (₹ in lakhs)     |                  |
|-------------------------------------|------------------|------------------|
|                                     | 31 March 2021    | 31 March 2020    |
| As at beginning of reporting period | 11,916.30        | 11,916.30        |
| Additions during the year           | 40,702.86        | 1,870.02         |
| Reversals during the year           | (1,588.30)       | (2,119.80)       |
| As at end of reporting period       | <u>50,619.16</u> | <u>11,916.30</u> |

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

| 34. Cost of sales  | (₹ in lakhs)      |                   |
|--|-------------------|-------------------|
|  | 31 March 2021     | 31 March 2020     |
| <b>Project in progress</b>                                 |                   |                   |
| Opening projects in progress                               | 544,574.37        | 570,239.82        |
| <b>Movement during the year</b>                            |                   |                   |
| Cost of land and development rights (net of cancellations) | 330.14            | 995.51            |
| Government dues and fees                                   | 5,128.67          | 4,582.52          |
| Architectural and consultancy fees                         | 112.92            | 111.95            |
| Material cost and contractor expenses                      | 8,009.91          | 2,870.84          |
| Other project and project related expenses and reversals   | 1,706.02          | 834.86            |
| Employer benefit expense                                   | -                 | 857.70            |
| Finance costs  | -                 | 157.01            |
| Other expenses   | -                 | 270.44            |
| <b>Total</b>   | <b>559,862.03</b> | <b>580,920.65</b> |
| Less: Projects in progress at the year end                 | (533,537.03)      | (544,574.37)      |
| Provision for expected costs recognised/(written back)     | 6,713.86          | (569.77)          |
|  | <u>33,038.86</u>  | <u>35,776.51</u>  |

| 35. Employee benefits expense   | (₹ in lakhs)    |                 |
|---|-----------------|-----------------|
|   | 31 March 2021   | 31 March 2020   |
| Salaries wages and bonus  | 1,942.77        | 3,416.33        |
| Contribution to provident and other funds                                 | 47.04           | 63.74           |
| Staff welfare expenses  | 20.84           | 48.07           |
| Less: Amount transferred to development and construction work in progress | -               | (857.70)        |
|   | <u>2,010.65</u> | <u>2,669.44</u> |

For descriptive notes on disclosure of defined benefit obligation, refer note 44 - Employee benefit obligations.

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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

|   | (₹ in lakhs)     |                  |
|---|------------------|------------------|
|   | 31 March 2021    | 31 March 2020    |
| <b>36. Finance costs</b>  |                  |                  |
| Interest expense  | 13,007.53        | 16,720.29        |
| Other borrowing costs   | 276.96           | 1,072.74         |
| Less: Amount transferred to development and construction work in progress | -                | (157.01)         |
|   | <u>13,284.49</u> | <u>17,636.02</u> |
|   |                  | (₹ in lakhs)     |
|   | 31 March 2021    | 31 March 2020    |
| <b>37. Depreciation and amortisation expense</b>                          |                  |                  |
| Depreciation on   |                  |                  |
| Property, plant and equipment   | 84.96            | 114.37           |
| Investment properties   | 23.78            | 23.78            |
|   | <u>108.74</u>    | <u>138.15</u>    |
|   |                  | (₹ in lakhs)     |
|   | 31 March 2021    | 31 March 2020    |
| <b>38A. Impairment losses</b>   |                  |                  |
| Allowance for expected credit loss  | 431.47           | 747.93           |
| Impairment in value of investments  | -                | 3,938.81         |
|   | <u>431.47</u>    | <u>3,686.74</u>  |
|   |                  | (₹ in lakhs)     |
|   | 31 March 2021    | 31 March 2020    |
| <b>38B. Other expenses</b>  |                  |                  |
| Rent (refer note 42)  | 849.23           | 621.19           |
| Roads and taxes   | 690.83           | 660.79           |
| Insurance   | 12.37            | 19.97            |
| Repair and maintenance:   |                  |                  |
| - Vehicles  | 30.19            | 24.03            |
| - Computers   | 141.67           | 121.20           |
| - Others  | 86.93            | 744.94           |
| Security charges  | 65.83            | 51.81            |
| Advertising and publicity   | 79.41            | 272.26           |
| Business promotion  | 54.36            | 40.88            |
| Commission and brokerage  | 720.71           | 736.99           |
| Traveling and conveyance  | 10.64            | 65.28            |
| Communication charges   | 13.07            | 39.57            |
| Legal and professional fees   | 398.15           | 340.06           |
| Auditors remuneration   |                  |                  |
| - Audit fees  | 10.00            | 10.00            |
| Advances written off (net)  | -                | 3,698.71         |
| Duties  | 501.70           | 1,009.01         |
| Claims and contingencies  | -                | 1,052.54         |
| Recruitment expenses  | 2.65             | -                |
| Miscellaneous expenses  | 30.69            | 472.68           |
| Less: Amount transferred to development and construction work in progress | -                | (270.44)         |
|   | <u>3,677.43</u>  | <u>9,754.77</u>  |



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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

| 39. Tax expense               | (₹ in lakhs)  |                   |
|-------------------------------|---------------|-------------------|
|                               | 31 March 2021 | 31 March 2020     |
| Deferred tax expense/(credit) | 431.04        | (5,520.35)        |
|                               | <u>431.04</u> | <u>(5,520.35)</u> |

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.944% and the reported tax expense in profit or loss are as follows:

|  | (₹ in lakhs)  |                   |
|--|---------------|-------------------|
|  | 31 March 2021 | 31 March 2020     |
| Accounting profit before income tax  | 954.36        | (33,355.60)       |
| At country's statutory income tax rate of 34.944% (31 March 2020: 34.944%)                 | 333.49        | (11,655.78)       |
| Impact of indetention benefit for income offered under capital gains                       | -             | (997.17)          |
| Impact of capital gain income offered to tax at rates other than statutory income tax rate | -             | 6,584.24          |
| Non-deductible expenses for tax purposes   | 175.31        | 373.55            |
| Others   | (77.76)       | 174.80            |
|  | <u>431.04</u> | <u>(5,520.35)</u> |

| 40. Other comprehensive income                            | (₹ in lakhs)  |               |
|---|---------------|---------------|
|   | 31 March 2021 | 31 March 2020 |
| (A) Items that will not be reclassified to profit or loss |               |               |
| Re-measurement gains (losses) on defined benefit plans    | 41.43         | (6.25)        |
| Income tax effect   | (14.48)       | 2.18          |
| (B) Items that will be reclassified to profit or loss     |               |               |
|   | <u>26.95</u>  | <u>(4.07)</u> |

41. Earnings per equity share

The Company's Earnings Per Share (EPS) is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the track would be anti-dilutive.

|   | (₹ in lakhs)  |               |
|---|---------------|---------------|
|   | 31 March 2021 | 31 March 2020 |
| Earnings  |               |               |
| Net profit/(loss) attributable to equity shareholders for calculation of basic and diluted EPS                | 537.80        | (27,837.43)   |
| Shares  |               |               |
| Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS | 556.88        | 556.88        |
| Nominal value of each equity share (₹)  | 10.00         | 10.00         |
| Earnings/(loss) per share (basic and diluted) (₹)   | 0.97          | (49.99)       |



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For Vatika Limited

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**Vatika Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

**42. Commitments**

The Company has undertaken to provide continued financial support to certain subsidiaries and joint ventures as and when required.

**43. Contingent liabilities**

**a. Contingent liabilities, not acknowledged as debt, include:**

Guarantees issued by the Company on behalf of

(i) Related parties, for loans availed

Vatika Developers Private Limited

Vatika House Private Limited

Vatika Smart Element Private Limited

Vatika Sovereign Park Private Limited

(ii) Other companies, for loans availed

Total (i) + (ii)

(₹ in lakhs)

|  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| <b>a. Contingent liabilities, not acknowledged as debt, include:</b>   |               |               |
| Guarantees issued by the Company on behalf of  |               |               |
| (i) Related parties, for loans availed   |               |               |
| Vatika Developers Private Limited  | 1,573.44      | 1,882.97      |
| Vatika House Private Limited   | 88,932.00     | 26,300.00     |
| Vatika Smart Element Private Limited   | 9,654.20      | 11,209.91     |
| Vatika Sovereign Park Private Limited  | 2,665.28      | 14,607.88     |
| (ii) Other companies, for loans availed  | 69,181.33     | 60,246.00     |
| Total (i) + (ii)   | 176,671.07    | 109,526.79    |
| <b>b. Other contingent liabilities (under litigation) include:</b>   |               |               |
| - Income tax demands   |               |               |
| - Amount disallowed by income tax authorities in respect of Assessment Year - 2005-06, Assessment Year 2011-12 and Assessment Year 2012-13 in which Company has business losses or assessed under the provisions of Sec. 115B of Income Tax Act, 1961, against which appeals have been filed before CIT(A) | 6,877.61      | 6,877.61      |
| - Income tax matters returned back to the Assessing officer by the Income Tax Appellate Tribunal   | -1.59         | -1.59         |
| - Income tax matters returned back to the Assessing officer by the Income Tax Appellate Tribunal   | 29.61         | 29.61         |
| Total direct tax contingent liability (i)  | 6,945.61      | 6,945.61      |
| - Service tax demands  |               |               |
| Total indirect tax contingent liability (ii)   | 3,349.42      | 3,349.42      |
|  | 3,349.42      | 3,349.42      |
| Total (i) + (ii)   | 10,498.33     | 10,498.32     |

a. Against demands of ₹ 7,325.33 lakhs (31 March 2020 : ₹ 7,325.35 lakhs), the Company has made provisions amounting to ₹ 418.13 lakhs (31 March 2020 : ₹ 418.13 lakhs) pending to financial year ended 31 March 1996 to 31 March 2017 on account of various additions to income and disallowances of expenditure. The Company has paid ₹ 3,695.12 lakhs (31 March 2020 : ₹ 4,575.27 lakhs) under protest towards above tax demands. The Company's appeals against the said demands are pending before courts/appellate authorities.

Based on management assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the courts/appellate authorities and does not foresee any material liability. Pending the final decision on the matters, no adjustment has been made in the financial statements.

d. The Income tax authorities conducted a search and seizure at the office premises of the Company under section 152 and 153 of the Income Tax Act, 1961 on 18 January 2013. During the year ended 31 March 2015, the Company received the Assessment Order for the assessment years 2007-08 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) containing income tax demand of ₹ 11,949.33 lakhs. During the year ended 31 March 2018, the Company received an order from Commissioner of Income Tax (CIT) (Appeals) dated March 27, 2017 against appeal filed by the Company wherein the CIT (Appeals) has allowed partial add to the Company on certain matters. During the year ended 31 March 2018, the Company filed an appeal against the remaining demand amounting to ₹ 2,299.32 lakhs in the Income Tax Appellate Tribunal.

Based on management assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the courts/appellate authorities and does not foresee any material liability. Pending the final decision on the matters, no adjustment has been made in the financial statements.

e. The Company has certain litigations involving customers, stamp duty and other land related matters. Based on advice of an issue legal team, the management believes that no material liability will accrue to the Company in respect of these litigations, other than provisions already recognized in the financial statements.

f. Pursuant to the recent judgment by the Hon'ble Supreme Court of India dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include allowances which are common for all employees. However, there is ambiguity with respect to the applicability of judgement and portal from which the same applies and accordingly, the Company has not provided for any liability on account of this.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

44 Employee benefit obligations

| Particulars         | 31 March 2021 |               | 31 March 2020 |               |
|---------------------|---------------|---------------|---------------|---------------|
|                     | Current       | Non-current   | Current       | Non-current   |
| Gratuity            | -             | 337.43        | -             | 312.57        |
| Compressed benefits | 13.82         | 77.57         | 11.61         | 81.85         |
| <b>Total</b>        | <b>13.82</b>  | <b>415.00</b> | <b>11.61</b>  | <b>394.42</b> |

A. Gratuity (Unfunded)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(i) Amount recognised in the statement of profit and loss is as under:

| Description   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Current service cost                                  | 42.76         | 52.12         |
| Net interest cost                                     | 21.25         | 17.87         |
| Net impact on profit (before tax)                     | 64.01         | 70.09         |
| Actuarial (gain)/loss recognised during the year      | (19.13)       | 9.17          |
| Amount recognised in the statement of profit and loss | 24.88         | 79.26         |

(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

| Description   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Present value of defined benefit obligation as at the start of the year | 367.34        | 386.69        |
| Current service cost  | 42.76         | 52.12         |
| Interest cost   | 24.98         | 24.23         |
| Actuarial (gain)/ loss on obligation                                    | (21.43)       | 6.25          |
| Benefits paid   | (48.25)       | (31.95)       |
| Present value of defined benefit obligation as at the end of the year   | 345.40        | 367.34        |

(iii) Movement in the plan assets recognised in the balance sheet is as under:

| Description                                      | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Fair Value of plan assets at beginning of year   | 54.77         | 81.74         |
| Expected return on plan assets                   | 5.72          | 6.29          |
| Employer contribution                            | -             | 1.65          |
| Benefits paid                                    | (48.25)       | (31.95)       |
| Actuarial loss on plan assets                    | (2.28)        | (2.92)        |
| Fair value of plan assets at the end of the year | 1.33          | 54.77         |
| Actual return on plan assets                     | 1.65          | 1.33          |

(iv) Breakup of actuarial (gain)/loss:

| Description   | 31 March 2021  | 31 March 2020 |
|---|----------------|---------------|
| Actuarial (gain)/loss from change in demographic assumption | -              | (1.04)        |
| Actuarial (gain)/loss from change in financial assumption   | -              | 35.20         |
| Actuarial (gain)/loss from experience adjustment            | (61.43)        | (28.50)       |
| <b>Total actuarial loss</b>                                 | <b>(61.43)</b> | <b>6.25</b>   |

(v) Actuarial assumptions

| Description                  | 31 March 2021 | 31 March 2020 |
|------------------------------|---------------|---------------|
| Discount rate                | 6.81%*        | 6.81%*        |
| Future Basic salary increase | 6.00%*        | 6.00%*        |
| Employee turnover            |               |               |
| - Up to 30 years             | 3.00%*        | 3.00%*        |
| - From 31 to 44 years        | 2.00%*        | 2.00%*        |
| - Above 44 years             | 1.00%*        | 1.00%*        |

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



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For Vatika Limited

Authorised Signatory

Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(vi) Sensitivity analysis for gratuity liability

| Description  | ₹ in lakhs    |               |
|--|---------------|---------------|
|  | 31 March 2021 | 31 March 2020 |
| Impact of the change in discount rate              |               |               |
| Present value of obligation at the end of the year | 345.80        | 367.34        |
| - Impact due to increase of 0.50%                  | 0.9949        | (21.49)       |
| - Impact due to decrease of 0.50%                  | 26.67         | 23.43         |
| Impact of the change in salary increase            |               |               |
| Present value of obligation at the end of the year | 345.80        | 367.34        |
| - Impact due to increase of 0.50%                  | 19.00         | 21.28         |
| - Impact due to decrease of 0.50%                  | (17.97)       | (20.13)       |

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

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

(vii) Maturity profile of defined benefit obligation

| Description           | ₹ in lakhs    |               |
|-----------------------|---------------|---------------|
|                       | 31 March 2021 | 31 March 2020 |
| Within next 12 months | 30.61         | 14.53         |
| Between 1-5 years     | 52.90         | 62.57         |
| More than 5 years     | 278.89        | 290.24        |

(viii) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Particulars  | 31 March 2021 |  | 31 March 2020 |  |
|--|---------------|--|---------------|--|
|  | %             |  | %             |  |
| Investments with Life Insurance Corporation of India | 100           |  | 100           |  |

The Company make annual contribution to the Life Insurance Corporation of India (LIC) of an amount advised by the LIC. The Company was not informed by LIC of the investment made or the breakdown of plan assets by investment type, accordingly related disclosures are not included in these financial statements.

B. Compensated absences

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The entity has used projected unit cost (PUC) actuarial method to measure the plan's liabilities of employees.

(i) Amount recognised in the statement of profit and loss is as under:

| Description   | Earned leave  |               | Sick leave    |               |
|---|---------------|---------------|---------------|---------------|
|   | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Current service cost                                  | 18.54         | 26.41         | 2.51          | 3.69          |
| Net interest cost                                     | 5.72          | 5.20          | 11.63         | 0.73          |
| Actuarial (gain)/loss recognised during the year      | (6.70)        | 35.89         | (7.25)        | (4.51)        |
| Amount recognised in the statement of profit and loss | 17.56         | 67.50         | 6.89          | 9.91          |

(ii) Movement in net liability

| Description           | Earned leave  |               | Sick leave    |               |
|-----------------------|---------------|---------------|---------------|---------------|
|                       | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Opening net liability | 84.13         | 68.02         | 9.34          | 9.52          |
| Expenses as above     | 17.50         | 67.57         | 11.69         | 11.18         |
| Bene fits paid        | (19.27)       | (51.47)       | -             | -             |
| Closing net liability | 82.36         | 84.13         | 9.25          | 9.34          |

(iii) Actuarial assumptions

| Description                  | 31 March 2021 |  | 31 March 2020 |  |
|------------------------------|---------------|--|---------------|--|
|                              | %             |  | %             |  |
| Discount rate                | 6.80%         |  | 6.80%         |  |
| Future Basic salary increase | 6.00%         |  | 6.00%         |  |

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

C. Provident fund

Contribution made by the Company during the year is ₹ 44.44 lakhs (31 March 2020: ₹ 61.81 lakhs).



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For Vatika Limited

Authorized Signatory

**Vatika Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

**45 Fair value disclosures**

**(i) Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are categorized into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are measured on an active market is determined using valuation techniques which maximize the use of observable market data only as far as possible on inputs to the estimates

Level 3: If one or more of the significant inputs to an asset or liability is not based on observable market data, the instrument is included in level 3.

**(ii) Financial assets measured at fair value - assuming fair value measurements**

| (₹ in Lakhs)   | 31 March 2021    | 31 March 2020    |
|--|------------------|------------------|
| Investments in Equitarily owned entities in Vatika Green Homes Private Limited   | 11,825.63        | 11,825.63        |
| Investment in Equitarily owned entities in Vatika Sovereign Park Private Limited | 13,218.75        | 13,218.75        |
| <b>Total</b>   | <b>25,044.38</b> | <b>25,044.38</b> |

**(iii) Valuation technique used to determine fair value**

Fair value of equitarily owned entities have been determined using discounted cash flow method. This method involves the projection of a series of cash flows from the project. To this projected cash flow series, a market derived discount rate is applied to establish the present value of the income stream associated with the project.

**(iv) The following table presents the changes in Level 3 items for the year ended 31 March 2021 and 31 March 2020**

| Particulars  | (₹ in Lakhs) |
|--|--------------|
| As at 1 April 2020   | 25,044.38    |
| Loss recognized in Statement of Profit and Loss on account of impairment | (2,719.85)   |
| Particulars recognized during the year                                   | 4,337.26     |
| As at 31 March 2021  | 16,661.79    |
| Gain recognized in Statement of Profit and Loss                          | -            |
| Particulars recognized during the year                                   | -            |
| As at 31 March 2020  | 25,044.38    |

**(v) Fair value of investments measured at amortized cost**

The value of investments measured at amortized cost for which fair value is disclosed is as follows:

| Particulars                        | Level   | 31 March 2021     |                   | 31 March 2020     |                   |
|------------------------------------|---------|-------------------|-------------------|-------------------|-------------------|
|                                    |         | Carrying value    | Fair value        | Carrying value    | Fair value        |
| Security deposit                   | Level 2 | 8,168.56          | 8,168.56          | 7,898.54          | 7,898.54          |
| Loan receivable                    | Level 3 | 16.81             | 16.81             | 17.15             | 17.15             |
| Other financial assets             | Level 3 | 2,348.81          | 2,348.81          | 3,298.88          | 3,298.88          |
| <b>Total financial assets</b>      |         | <b>10,534.18</b>  | <b>10,534.18</b>  | <b>11,214.57</b>  | <b>11,214.57</b>  |
| Borrowings                         | Level 3 | 197,456.29        | 197,456.29        | 228,981.41        | 228,981.41        |
| Security deposit                   | Level 3 | 4,893.44          | 4,893.44          | 5,491.43          | 5,491.43          |
| <b>Total financial liabilities</b> |         | <b>202,349.73</b> | <b>202,349.73</b> | <b>234,472.84</b> | <b>234,472.84</b> |

The management assumed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturity of these instruments. The fair value of the financial assets and liabilities is included in the assets in which the fair value of the Company's investments being borrowings, loans and receivables are determined by applying discounted cash flow (DCF) method using discount rate that reflects the asset's borrowing rate at the end of the reporting period.

**(vi) The following table summarizes the quantitative information about the significant asset/liability items used in level 3 fair value measurements**

| Particulars   | Fair value (₹ in Lakhs) |               | Discount rate | Sensitivity analysis (₹ in Lakhs) |               |
|---|-------------------------|---------------|---------------|-----------------------------------|---------------|
|   | 31 March 2021           | 31 March 2020 |               | 31 March 2021                     | 31 March 2020 |
| Equitarily Owned Entities - Vatika Green Homes Private Limited    | 11,825.63               | 11,825.63     | -0.5%         | 132.56                            | 132.56        |
|   | -                       | -             | +0.5%         | (131.33)                          | (131.33)      |
| Equitarily Owned Entities - Vatika Sovereign Park Private Limited | 13,218.75               | 13,218.75     | -0.5%         | 133.80                            | 133.80        |
|   | -                       | -             | +0.5%         | (133.80)                          | (133.80)      |

**46 Financial risk management**

**(i) Financial instruments by category**

| Particulars                  | 31 March 2021    |            |                   | 31 March 2020    |            |                   |
|------------------------------|------------------|------------|-------------------|------------------|------------|-------------------|
|                              | ₹ IN LAKHS       | ₹ IN LAKHS | Amortized cost    | ₹ IN LAKHS       | ₹ IN LAKHS | Amortized cost    |
| <b>Financial assets</b>      |                  |            |                   |                  |            |                   |
| Investments*                 | 25,044.38        | -          | 10,280.14         | 25,044.38        | -          | 10,955.04         |
| Security deposit             | -                | -          | 8,168.56          | -                | -          | 7,898.54          |
| Other financial assets       | -                | -          | 2,122.17          | -                | -          | 2,560.88          |
| Trade receivables            | -                | -          | 17,392.31         | -                | -          | 17,682.89         |
| Cash and cash equivalents    | -                | -          | 4,171.88          | -                | -          | 2,393.28          |
| Other bank balances          | -                | -          | 5,089.47          | -                | -          | 4,971.17          |
| Loans                        | -                | -          | 16.81             | -                | -          | 17.15             |
| <b>Total</b>                 | <b>25,044.38</b> | <b>-</b>   | <b>57,041.34</b>  | <b>25,044.38</b> | <b>-</b>   | <b>57,041.34</b>  |
| <b>Financial liabilities</b> |                  |            |                   |                  |            |                   |
| Borrowings                   | -                | -          | 197,456.29        | -                | -          | 197,456.29        |
| Trade payables               | -                | -          | 22,796.44         | -                | -          | 24,412.32         |
| Other financial liabilities  | -                | -          | 30,946.39         | -                | -          | 62,585.81         |
| <b>Total</b>                 | <b>-</b>         | <b>-</b>   | <b>251,199.12</b> | <b>-</b>         | <b>-</b>   | <b>284,454.42</b> |

\* Investments include investments of subsidiary and joint venture have been accounted using equity method of accounting and hence, not presented here.

**(ii) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact on the financial statements.



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For Vatika Limited

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Authorized Signatory

**Vatika Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets:

- cash and cash equivalents,
- trade receivables,
- loans & receivables issued at amortised cost, and
- deposits with banks

**4) Credit risk management**

The Company monitors and manages credit risk based on internal credit rating system, continuously assessing defaults of customers and other counterparties, identified either individually or by the company, and incorporates the information into its credit risk records. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the counterparties, ages and terms specific to the class of financial assets:

- A) Low
- B) Medium
- C) High

Assets under credit risk -

|               |                           | (₹ in lakhs) |           |
|---------------|---------------------------|--------------|-----------|
| Credit rating | Particulars               | 31-Mar-21    | 31-Mar-20 |
| A. Low        | Loans                     | 8,185.76     | 7,915.79  |
|               | Investments               | 26,523.79    | 36,267.58 |
|               | Other financial assets    | 6,475.17     | 15,068.62 |
|               | Other bank balances       | 3,989.47     | 4,474.43  |
|               | Cash and cash equivalents | 4,171.86     | 2,272.26  |
| B. Medium     | Trade receivables         | 17,342.50    | 17,692.99 |
| C. High       | Trade receivables         | 2,311.80     | 1,269.57  |
|               | Other financial assets    | 2,699.09     | 2,369.00  |

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts with different banks.

Trade receivables

The Company closely monitors the creditworthiness of its debtors through internal system that are designed to detect credit lines of customers, thereby, limiting the credit risk to pre-qualified customers. The Company reviews ageing schedule of its accounts receivable that becomes past due and default is considered to have occurred when payments receivable become past due one year.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts regularly, while in the case of the interest received on such assets in place ensure the amounts are within defined limits.

**3) Expected credit losses**

**(a) Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following classes of assets -

|                           |   |                        |  | (₹ in lakhs) |
|---------------------------|---|------------------------|--|--------------|
| Particulars               | Expected gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provisions |              |
| Investments               | 41,252.00                                 | 4,719.08               | 36,532.92                                    | 36,532.92    |
| Trade receivables         | 20,921.35                                 | 2,211.80               | 18,709.55                                    | 17,942.51    |
| Cash and cash equivalents | 4,075.88                                  | -                      | 4,075.88                                     | 4,171.86     |
| Other bank balances       | 3,989.47                                  | -                      | 3,989.47                                     | 3,989.47     |
| Loans                     | 8,285.76                                  | -                      | 8,285.76                                     | 8,185.76     |
| Other financial assets    | 8,851.10                                  | 7,069.91               | 1,781.19                                     | 3,652.17     |

|                           |   |                        |  | (₹ in lakhs) |
|---------------------------|---|------------------------|--|--------------|
| Particulars               | Expected gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provisions |              |
| Investments               | 43,116.99                                 | 5,175.81               | 37,941.18                                    | 36,532.92    |
| Trade receivables         | 19,361.22                                 | 1,706.37               | 17,654.85                                    | 17,654.85    |
| Cash and cash equivalents | 2,272.25                                  | -                      | 2,272.25                                     | 2,272.25     |
| Other bank balances       | 4,474.43                                  | -                      | 4,474.43                                     | 4,474.43     |
| Loans                     | 7,915.79                                  | -                      | 7,915.79                                     | 7,915.79     |
| Other financial assets    | 27,444.36                                 | 2,399.00               | 25,045.36                                    | 25,045.36    |

Expected credit loss for trade receivables under simplified approach

Real estate business

The Company considers provision for lifetime expected credit loss. Given the nature of business operations, the Company's receivables from real estate business does not have any expected credit loss as results of legal title of properties will be generally passed on to the customer, once the Company receives the entire constructioned dues, there are less considered as low credit risk assets. Further, during the periods presented, the Company has made no write-offs of receivables.

Banked business

The Company considers provision for lifetime expected credit loss. Given the nature of business operations, the receivables from banked business has low credit risk as the Company holds security deposits against the payments given on credit. Further, historical credit default rates are negligible between bank deposits held by the Company and amount due from customers. Hence, with the historical loss experience and forward looking information, the Company has provided expected credit loss in relation to receivables from banked business.



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For Vatika Limited

Authorised Signatory

**Vatika Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

**Reconciliation of loss provision – investments, trade receivables and other financial assets**

| Reconciliation of loss allowance     | (₹ in lakhs) |                   |                        |
|--------------------------------------|--------------|-------------------|------------------------|
|                                      | Investments  | Trade receivables | Other financial assets |
| Loss allowance on 1 April 2021       | 1,799.30     | 3,032.44          | 2,199.33               |
| Balance provided for earlier periods | 2,134.41     | 217.92            | -                      |
| Loss allowance on 31 March 2022      | 4,719.81     | 3,264.37          | 2,199.33               |
| Adjustment for expected credit loss  | -            | 191.47            | -                      |
| Loss allowance on 31 March 2023      | 4,719.81     | 3,455.84          | 2,199.33               |

**Other financial assets measured at amortised cost**

Company provides for expected credit losses on loans and advances which are made receivable by assessing individual financial instruments for expectation of non-payment. Since the expected credit loss and recoverable of cash assets and property, there is no need for the company to draw or apply consistently to entire population for each financial assets. The Company's policy is to provide for 12 months expected credit loss upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognition on such assets constituting their first credit risk since, though seen and loss provision is disclosed under credit risk category of each financial assets.

**16) Liquidity risk**

Provision liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining available credit facilities committed facilities.

Management monitors rolling forecasts of the Company's liquidity position cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the assets in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows at major currencies and monitoring the level of liquid assets necessary to meet these, maintaining balances that liquidity ratios against interest and contractual requirements and maintaining debt maturity plans.

**Maturity of financial liabilities**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the contractual maturity to its off-balance sheet liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. However due within 12 months equal their carrying balances at the report of date since it is not significant.

| 31 March 2023                            | (₹ in lakhs)     |           |                   |            |
|--|------------------|-----------|-------------------|------------|
|  | Less than 1 year | 1-2 year  | More than 2 years | Total      |
| Borrowings including interest            | 27,086.46        | 49,144.11 | 2,841.24          | 79,071.81  |
| Senior deposit received                  | 1,872.26         | 2,641.31  | -                 | 4,513.57   |
| Short term borrowings including interest | 14,679.66        | 15,074.00 | 62,218.04         | 91,971.70  |
| Trade payable                            | 22,734.09        | -         | -                 | 22,734.09  |
| Other financial liabilities              | 16,233.10        | -         | -                 | 16,233.10  |
| Total                                    | 82,605.57        | 76,859.42 | 65,059.28         | 224,524.27 |

| 31 March 2022                            | (₹ in lakhs)     |            |                   |            |
|--|------------------|------------|-------------------|------------|
|  | Less than 1 year | 1-2 year   | More than 2 years | Total      |
| Borrowings including interest            | 32,148.79        | 52,544.92  | 14,771.79         | 99,465.50  |
| Senior deposit received                  | 1,261.16         | 438.98     | 3,161.08          | 5,261.22   |
| Short term borrowings including interest | 32,654.00        | 49,178.15  | 22,343.49         | 104,175.64 |
| Trade payable                            | 24,412.52        | -          | -                 | 24,412.52  |
| Other financial liabilities              | 13,336.00        | -          | -                 | 13,336.00  |
| Total                                    | 103,812.47       | 102,161.85 | 40,276.36         | 246,250.68 |

**16) Interest rate risk**

**i) Liabilities**

The Company's policy is to maintain interest rate risk through exposure to interest bearing. At 31 March 2023, the Company is exposed to change in market rates of rate through both borrowings at variable interest rates. The Company's interest rate is Fixed Deposit, all pay fixed interest rates.

**Interest rate exposure**

Below is the breakdown of the Company's interest rate risk.

| Particulars             | (₹ in lakhs)  |               |
|-------------------------|---------------|---------------|
|                         | 31 March 2023 | 31 March 2022 |
| Variable rate borrowing | 197,456.29    | 225,451.49    |
| Fixed rate borrowing    | -             | -             |
| Total borrowings        | 197,456.29    | 225,451.49    |

**Interest**

Below is the movement of profit or loss and equity changes in interest rates.

| Particulars                                      | (₹ in lakhs)  |               |
|--|---------------|---------------|
|  | 31 March 2023 | 31 March 2022 |
| Interest sensitivity*                            | -             | -             |
| Interest rates - increase by 50 bps basis points | (781.89)      | (1,429.76)    |
| Interest rates - decrease by 50 bps basis points | 587.18        | 1,429.76      |

\* All of our assets are interest sensitive.

**ii) Assets**

The Company's fixed deposits are covered at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as disclosed in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**iii) Net risk**

The Company does not have any significant assets or liabilities which create an exposure to price risk.

**17) Capital management**

**Risk management**

The Company's objective when managing capital are to:

- Ensure the Company's ability to continue as a going concern, and
- To provide adequate returns to shareholders.

Management monitors the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by increasing the following ratios:-

| Particulars                     | (₹ in lakhs)  |               |
|---------------------------------|---------------|---------------|
|                                 | 31 March 2023 | 31 March 2022 |
| Debt                            | 197,456.29    | 225,451.49    |
| Less: Cash and cash equivalents | (1,111.84)    | (2,273.75)    |
| Net debt                        | 196,344.45    | 223,177.74    |
| Total equity                    | 36,207.61     | 33,637.49     |
| Net debt to equity ratio        | 5.42          | 6.64          |



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For Vatika Limited  
 Authorized Signatory

Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

48. Information about subsidiaries

The information about subsidiaries and joint ventures of the Company is as follows. The below table includes the information about step down subsidiaries as well.

a. Subsidiaries

Subsidiaries with the percentage of ownership of Vatika Group

| Name of subsidiary                            | Country of incorporation | Proportion of ownership interest as at 31 March 2021 | Proportion of ownership interest as at 31 March 2020 |
|---|--------------------------|--|--|
| Aspic Promoters Private Limited               | India                    | 100%   | 100%   |
| Aspi Promoters and Developers Private Limited | India                    | 100%   | 100%   |
| Avesta Developers Private Limited             | India                    | 100%   | 100%   |
| Blossom Properties Private Limited            | India                    | 100%   | 100%   |
| Brock Developers Private Limited              | India                    | 100%   | 100%   |
| Copar Developers Private Limited              | India                    | 100%   | 100%   |
| Crazy Properties Private Limited              | India                    | 100%   | 100%   |
| Espa Developers Private Limited               | India                    | 100%   | 100%   |
| Famous Developers Private Limited             | India                    | 100%   | 100%   |
| Femina Developers Private Limited             | India                    | 100%   | 100%   |
| Gates Developers Private Limited              | India                    | 100%   | 100%   |
| Magist Developers Private Limited             | India                    | 100%   | 100%   |
| Mandell Developers Private Limited            | India                    | 100%   | 100%   |
| Nalabata Builders Private Limited             | India                    | 100%   | 100%   |
| Papyrus Infrastructure Private Limited        | India                    | 100%   | 100%   |
| Sahar Land And Housing Private Limited        | India                    | 100%   | 100%   |
| Sankar Builders Private Limited               | India                    | 100%   | 100%   |
| SEI Tech Park Developers Private Limited      | India                    | 100%   | 100%   |
| Soodras Developers Private Limited            | India                    | 100%   | 100%   |
| Vatika Jaipur SEZ Developers Limited          | India                    | 100%   | 100%   |
| Vatika One India Next Private Limited         | India                    | 100%   | 100%   |
| Vatika Overseas Limited                       | United Kingdom           | 100%   | 100%   |
| Winnon Developers Private Limited             | India                    | 100%   | 100%   |

b. Jointly controlled entities

| Name of entity                        | Country of incorporation | Proportion of ownership interest as at 31 March 2021 | Proportion of ownership interest as at 31 March 2020 |
|---------------------------------------|--------------------------|--|--|
| Vatika Sovereign Park Private Limited | India                    | 51%  | 51%  |
| Vatika Seven Elements Private Limited | India                    | 51%  | 51%  |

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For Vatika Limited

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**Vatika Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

**Note - 19**

**(i) Lease related disclosures as lessee**

The Company has leases for premises in buildings. All leases entered into by the Company are classified under short-term leases and accordingly no lease is reflected on the balance sheet as a right-of-use asset and a lease liability. In the absence of recognition of right-of-use asset and lease liability, there is no expense pertaining to interest on lease liability or depreciation of right-of-use assets. Further, information about maturity of lease liabilities and extension and termination options has also not been disclosed with respect to these short term leases and leases with underlying assets of low value. Further since there is no right-of-use asset or lease liability recognized, there is no impact on transition required to be disclosed.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over buildings equipments and land the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

**A Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars       | ₹ in lakhs    |               |
|-------------------|---------------|---------------|
|                   | 31 March 2021 | 31 March 2020 |
| Short-term leases | 849.23        | 621.19        |

**B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 849.23 lakhs (31 March 2020 was ₹ 621.19 lakhs).**

**(ii) Lease related disclosures as lessor**

The Company has leased buildings under non-cancellable operating leases, which are usually renewable by mutual consent. Future minimum rentals receivable under non-cancellable operating leases are as follows:

| Particulars                                       | ₹ in lakhs    |               |
|---|---------------|---------------|
|   | 31 March 2021 | 31 March 2020 |
| Within one year                                   | 166.17        | 218.87        |
| Later than one year but not later than five years | 431.84        | 695.55        |
| Later than five years                             | -             | 141.48        |

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For Vatika Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

30. Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

(₹ in lakhs)

| Particulars   | Borrowings - non-current (including current maturities) | Borrowings - current | Other financial liabilities - non-current and current | Amount      |
|---|---|----------------------|---|-------------|
| Net debt as at 31 March 2019 including interest accrued | 116,524.66  | 136,594.04           | 5,365.53  | 258,284.23  |
| Borrowings measured at amortised cost*                  | (1,411.10)  | 481.46               | (125.65)  | (1,055.29)  |
| Proceeds from current/non-current borrowings            | 2,658.19  | 693.09               | -   | 3,258.19    |
| Repayment of current/non-current borrowings             | (14,288.85)   | (15,207.00)          | -   | (29,495.85) |
| Interest expense  | -   | -                    | 17,636.02   | 17,636.02   |
| Interest paid   | -   | -                    | (21,041.25)   | (21,041.25) |
| Net debt as at 31 March 2020 including interest accrued | 103,482.89  | 122,468.52           | 829.65  | 226,781.06  |
| Borrowings measured at amortised cost*                  | -   | 161.37               | (161.37)  | -           |
| Proceeds from current/non-current borrowings            | -   | 1,281.00             | -   | 1,281.00    |
| Repayment of current/non-current borrowings             | (22,081.57)   | (7,863.92)           | -   | (29,945.49) |
| Interest expense  | -   | -                    | 13,284.47   | 13,284.47   |
| Interest paid   | -   | -                    | (10,753.10)   | (10,753.10) |
| Net debt as at 31 March 2021 including interest accrued | 81,476.32   | 115,999.97           | 3,198.37  | 200,674.66  |

\*These pertain to non-cash adjustments made during the year

31. Segment information

The Company is primarily engaged in the business of real estate development, which as per Indian Accounting Standard - 108 on 'Operating Segments' is considered to be the only reportable segment. The Company is operating in India which is considered as a single geographical segment.

32. Change in estimate cost and revenue of projects

The management update its estimate of budgeted cost on every reporting date and consider cumulative adjustment to revenue. Such changes in budget are results of changes in cost due to better understanding of requirement as well as changes in prices, and also as a result of changes in work order. More often than not, cost changes are cumulative effects of more than one factor. Therefore, it is impracticable to disclose effect of such changes on current period and future period for each individual factor.

(To be read in conjunction with Note 3)



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For Vatika Limited

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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

53 A) Set out below, are the amounts by which each financial statement line item in the Statement of Profit and Loss is affected as at and for the year ended 31 March 2021 as a result of the adoption of Ind AS 115. The adoption of Ind AS 115 did not have a material impact on OCI or the Company's operating, investing and financing cash flows. The first column shows amounts prepared under Ind AS 115 and the second column shows what the amounts would have been had Ind AS 115 not been adopted:

Statement of Profit and Loss for the year ended 31 March 2021

(₹ in lakhs)

|  | Ind AS 115       | Previous Ind AS   | Increase/ (Decrease) |
|--|------------------|-------------------|----------------------|
| <b>Revenue</b>   |                  |                   |                      |
| Revenue from operations                                | 50,610.52        | 32,724.04         | 17,886.48            |
| Other income   | 2,895.47         | 2,895.47          | -                    |
| <b>Total revenue</b>                                   | <b>53,506.98</b> | <b>35,619.51</b>  | <b>17,886.48</b>     |
| <b>Expenses</b>  |                  |                   |                      |
| Cost of sales  | 33,818.86        | 28,044.06         | 5,774.79             |
| Employee benefits expense                              | 2,000.65         | 2,010.65          | -                    |
| Finance costs  | 13,294.49        | 13,294.49         | -                    |
| Depreciation and amortisation expense                  | 108.74           | 108.74            | -                    |
| Impairment losses                                      | 451.47           | 451.47            | -                    |
| Other expenses   | 3,677.43         | 3,245.86          | 431.57               |
| <b>Total expenses</b>                                  | <b>53,581.63</b> | <b>48,125.26</b>  | <b>7,456.36</b>      |
| <b>Loss before tax</b>                                 | <b>954.56</b>    | <b>(9,505.76)</b> | <b>10,460.32</b>     |
| <b>Tax expense</b>                                     |                  |                   |                      |
| - Deferred tax expense/(credit)                        | 418.56           | (3,244.86)        | 3,663.40             |
| <b>Net loss for the year</b>                           | <b>537.00</b>    | <b>(6,261.72)</b> | <b>6,799.50</b>      |
| <b>Other comprehensive income</b>                      |                  |                   |                      |
| Items that will not be reclassified to profit and loss |                  |                   |                      |
| Re-measurement gain on defined benefit plans           | 41.43            | 41.43             | -                    |
| Income tax effect                                      | (14.48)          | (14.48)           | -                    |
| <b>Other comprehensive income for the year</b>         | <b>26.95</b>     | <b>26.95</b>      | <b>-</b>             |
| <b>Total comprehensive loss for the year</b>           | <b>564.75</b>    | <b>(6,234.77)</b> | <b>6,799.50</b>      |

B) Disaggregation of revenue

Revenue recognised mainly comprises of sale of real estate properties. Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in lakhs)

| Description                                  | 31 March 2021    | 31 March 2020    |
|--|------------------|------------------|
| <b>(A) Operating revenue</b>                 |                  |                  |
| Revenue from real estate properties          | 44,595.43        | 49,911.37        |
| <b>(B) Other operating revenue</b>           |                  |                  |
| Rental income                                | 1,295.10         | 1,212.98         |
| Transfer charges                             | 261.14           | 213.96           |
| Service income                               | 309.90           | 246.65           |
| Franchise income and service receipts        | 3,854.89         | 163.53           |
| Compulsory acquisition of land by government | -                | -                |
| Advertisement income                         | 325.09           | 480.00           |
| <b>Total revenue*</b>                        | <b>50,610.52</b> | <b>52,348.49</b> |

\* The Company derives its major revenues from construction and development of real estate projects. The Company is operating in India which is considered as a single geographical segment.



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For Vatika Limited

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The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended 31 March 2021 and 31 March 2020:

| (₹ in lakhs) |                                   |                                    |                             |               |               |
|--------------|-----------------------------------|------------------------------------|-----------------------------|---------------|---------------|
| S.No.        | Types of Services by Nature       | Types of Services by Contract Type | Types of Services by timing | 31 March 2021 | 31 March 2020 |
| 1            | Revenue from real estate projects | Construction contracts             | Point in time               | 44,595.49     | 49,911.37     |
|              |                                   |                                    |                             | 44,595.49     | 49,911.37     |

**C) Assets and liabilities related to contracts with customers**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

| (₹ in lakhs)                                    |               |               |
|---|---------------|---------------|
| Description                                     | 31 March 2021 | 31 March 2020 |
| Contract liabilities related to sale of service |               |               |
| Advance from customers                          | 306,181.27    | 329,489.91    |
|   | 306,181.27    | 329,489.91    |
| Receivables                                     |               |               |
| Trade receivables                               | 11,257.17     | 11,493.29     |
| Net receivables                                 | 11,257.17     | 11,493.29     |
| Total   | (394,944.10)  | (317,996.62)  |

A receivable is a right to consideration that is unconditional upon passage of time. Revenues from the contracts are recognized upon satisfaction of performance obligation. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing to the customers. Revenue in excess of billing is recorded as unbilled revenue and is classified as a contract asset. Any amount previously recognized as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone. Invoicing in excess of revenue recognized is classified as revenue received in advance. Any amount previously recognized as revenue received in advance is recognized to revenue on satisfaction of the performance obligations over the construction period.

**D) Significant changes in the contract liabilities balances during the year are as follows:**

|  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Contract liabilities - Advance from customers                    |               |               |
| Opening balance of Contract liabilities - Advance from customers | 329,489.91    | 324,052.52    |
| Less: Amount of revenue recognized during the year               | (44,595.49)   | (49,911.37)   |
| Add: Addition during the year                                    | 21,286.85     | 54,748.76     |
| Closing balance of Contract liabilities - Advance from customers | 306,181.27    | 329,489.91    |

**E) Reconciliation of revenue recognized with contract revenue:**

| (₹ in lakhs)         |               |               |
|----------------------|---------------|---------------|
| Particulars          | 31 March 2021 | 31 March 2020 |
| Contract revenue     | 46,754.85     | 52,043.43     |
| Less: Adjustments:   |               |               |
| (a) Subvention cost* | (29.19)       | (17.99)       |
| (b) Other rebates**  | (2,130.17)    | (2,114.07)    |
| Revenue recognized   | 44,595.49     | 49,911.37     |

\* Subvention cost represents the expected cash outflow under the arrangement determined basis time elapsed.

\*\* These rebates represents prepayment rebate and discounts offered by Company to its customers.

**F) Significant judgements in the application of the standard**

The Company is recognizing revenue over the period of time based on the input method of measuring progress. The Company estimate the costs expended to date as a proportion of the total costs expended as a measure to determine the progress towards completion of work as there is direct relationship between input and productivity. Further, the Company uses significant judgements while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

The Company has a single performance obligation and the transaction price is contractually agreed with the customer for provision of services and does not include any variable considerations.



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For Vatika Limited

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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

54. Related party disclosures

a) Relationship and names of related parties:

i) Subsidiaries

- \*Aspire Promoters Private Limited
- \*\*Aster Promoters and Developers Private Limited
- \*\*Avenir Developers Private Limited
- \*\*Blossom Properties Private Limited
- \*\*Beck Developers Private Limited
- \*\*Caspur Developers Private Limited
- \*\*Crest Properties Private Limited
- \*\*Equis Developers Private Limited
- \*\*Famous Dwellers Private Limited
- \*\*Femina Developers Private Limited
- \*\*Gates Developers Private Limited
- \*\*Magnet Developers Private Limited
- \*\*Mendell Developers Private Limited
- \*\*Nakshatra Builders Private Limited
- \*\*Pegasus Infrastructure Private Limited
- \*\*Sahar Land and Housing Private Limited
- \*\*Sanskrit Builders Private Limited
- \*\*SH Tech Park Developers Private Limited
- \*\*Sredhaan Developers Private Limited
- \*\*Vatika Jaipur SEZ Developers Private Limited
- \*\*Vatika One India Next Private Limited
- \*Vatika Overseas Limited
- \*\*Winston Developers Private Limited
- \*Vatika Hotels Private Limited (till 31 August 2019)

Note:

\* Wholly owned subsidiaries

\*\* Wholly owned subsidiaries through group companies.

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For Vatika Limited

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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

- ii) Enterprises owned or significantly influenced by key managerial personnel or their relatives with whom there are transactions during the year/balances as at year end:

Adalwis Developers Pvt. Ltd.  
Aplin Developers Private Limited (till 8 Sep 2020)  
Everest Project Private Limited  
Greenfield Nursery and Landscapes Private Limited  
Lincoln Developers Private Limited  
Masool Developers Private Limited  
Mazamunchies India Private Limited  
PD E Education Private Limited  
Shivasagar Builders Private Limited  
Vatika Education Services Private Limited  
Vatika Farms Private Limited  
Vatika Homes & Hotels Pvt. Ltd.  
Pandora Builders Private Limited  
Vatika One Express City Private Limited  
Vatika Hotels Private Limited (from 1 September 2019)  
VLM Projects Private Limited  
Vatika Infracon Private Limited  
Payson Developers Private Limited  
Vatika One on One Private Limited  
Givon Developers Private Limited  
Walid Developers Private Limited

- iii) Joint ventures

Vatika Sovereign Park Private Limited ##  
Vatika Seven Elements Private Limited ##

## These companies are considered as joint ventures under Accounting Standard (AS) - 27 'Financial reporting of Interests in Joint Ventures' as both Vatika Limited and the other shareholder have control over composition of board of directors.

- iv) Trusts with whom transaction have taken place during the year/balances as at year end:

V Care (a charitable trust)

- v) Key Management Personnel

| Name           | Designation             |
|----------------|-------------------------|
| Anil Bhalla    | Whole Time Director     |
| Gautam Bhalla  | Whole Time Director     |
| Manish Agrawal | Chief Financial Officer |
| Keshav Jha     | Company Secretary       |

- vi) Relatives of Key Management Personnel with whom there are transactions during the year/balances as at year end

| Name           | Relationship          |
|----------------|-----------------------|
| Divya Bhalla   | Wife of Gautam Bhalla |
| Kanchan Bhalla | Wife of Anil Bhalla   |
| Gaurav Bhalla  | Son of Anil Bhalla    |



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for Vatika Limited

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Vatika Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
 Note 51 (continued)

|   | Rs in lakhs               |               |               |               |                          |               |  |               |  |               |           |
|---|---------------------------|---------------|---------------|---------------|--------------------------|---------------|--|---------------|--|---------------|-----------|
|   | Expenditure and<br>Income |               | Taxes         |               | Key management personnel |               | Relatives of key management<br>personnel |               | Employees owned or significantly<br>influenced by key management<br>personnel or their relatives |               | Total     |
|   | 31 March 2021             | 31 March 2020 | 31 March 2021 | 31 March 2020 | 31 March 2021            | 31 March 2020 | 31 March 2021                            | 31 March 2020 | 31 March 2021  | 31 March 2020 |           |
| <b>Particulars</b>                            |                           |               |               |               |                          |               |  |               |  |               |           |
| (A) Transactions during the year              |                           |               |               |               |                          |               |  |               |  |               |           |
| Reimbursements                                |                           |               |               |               |                          |               |  |               |  |               |           |
| Amal Poddh                                    | -                         | -             | -             | -             | 38.32                    | -             | -  | -             | -  | -             | 38.32     |
| Gagan Shukla                                  | -                         | -             | -             | -             | 84.10                    | -             | -  | -             | -  | -             | 84.10     |
| <b>Amount paid on their behalf</b>            |                           |               |               |               |                          |               |  |               |  |               |           |
| Overhead Expenses and Indirect Expenses       |                           |               |               |               |                          |               |  |               |  |               |           |
| Urbal Panna Private Limited                   | -                         | -             | -             | -             | -                        | -             | -  | -             | 11.26  | -             | 11.26     |
| Arora Promoters Private Limited               | 2.57                      | -             | -             | -             | -                        | -             | -  | -             | 13.39  | -             | 15.96     |
| Green Properties Private Limited              | 4.68                      | -             | -             | -             | -                        | -             | -  | -             | 1,662.60   | -             | 1,667.28  |
| Emergo Developers Private Limited             | 177.28                    | -             | -             | -             | -                        | -             | -  | -             | -  | -             | 177.28    |
| Maharaja Builders Private Limited             | 35.67                     | -             | -             | -             | -                        | -             | -  | -             | -  | -             | 35.67     |
| Regence Infrastructure Projects Limited       | 217.26                    | -             | -             | -             | -                        | -             | -  | -             | -  | -             | 217.26    |
| Edara Land and Housing Private Limited        | 31.36                     | -             | -             | -             | -                        | -             | -  | -             | -  | -             | 31.36     |
| Evansia Developers Private Limited            | 5,926.06                  | -             | -             | -             | -                        | -             | -  | -             | -  | -             | 5,926.06  |
| Vatika Builders Private Limited               | -                         | -             | -             | -             | -                        | -             | -  | -             | -  | -             | -         |
| Vatika One Developers Private Limited         | -                         | -             | -             | -             | -                        | -             | -  | -             | -  | -             | -         |
| Pankaj Builders Private Limited               | -                         | -             | -             | -             | -                        | -             | -  | -             | -  | -             | -         |
| 3121 Private Private Limited                  | -                         | -             | -             | -             | -                        | -             | -  | -             | 1,497.44   | -             | 1,497.44  |
| Global Development Private Limited            | 0.32                      | -             | -             | -             | -                        | -             | -  | -             | 2,793.22   | -             | 2,793.54  |
| TD E Education Private Limited                | -                         | -             | -             | -             | -                        | -             | -  | -             | 9.22   | -             | 9.22      |
| <b>Receipt of amount paid on their behalf</b> |                           |               |               |               |                          |               |  |               |  |               |           |
| Private Development Private Limited           | -                         | -             | -             | -             | -                        | -             | -  | -             | 6.68   | -             | 6.68      |
| <b>Repayment of Loans taken</b>               |                           |               |               |               |                          |               |  |               |  |               |           |
| Laxmi Developers Private Limited              | -                         | -             | -             | -             | -                        | -             | -  | -             | -  | -             | -         |
| <b>Business advances taken</b>                |                           |               |               |               |                          |               |  |               |  |               |           |
| Vatika Builders Private Limited               | -                         | -             | -             | -             | -                        | -             | -  | -             | 13,343.62  | -             | 13,343.62 |
| Laxmi Developers Private Limited              | -                         | -             | -             | -             | -                        | -             | -  | -             | -  | -             | -         |
| Vatika Builders Private Limited               | 165.12                    | -             | -             | -             | -                        | -             | -  | -             | 4,720.15   | -             | 4,885.27  |
| Vatika Builders Private Limited               | 147.63                    | -             | -             | -             | -                        | -             | -  | -             | 2,421.46   | -             | 2,569.09  |
| Vatika Builders Private Limited               | -                         | -             | -             | -             | -                        | -             | -  | -             | 264.08   | -             | 264.08    |
|   |                           |               |               |               |                          |               |  |               | 365.42   |               | 365.42    |
|   |                           |               |               |               |                          |               |  |               | 147.43   |               | 147.43    |
|   |                           |               |               |               |                          |               |  |               | 110.72   |               | 110.72    |

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Vatika Limited  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Note 24 (cont'd)

Rs. in Lakhs

|  | Schedules and<br>Joint Ventures |               | Trust         |               | Key management personnel |               | Relatives of key management<br>personnel |               | Disruptive events or significantly<br>influenced by key management<br>personnel or their relatives |               | Total     |
|--|---------------------------------|---------------|---------------|---------------|--------------------------|---------------|--|---------------|--|---------------|-----------|
|  | 31 March 2023                   | 31 March 2020 | 31 March 2021 | 31 March 2020 | 31 March 2023            | 31 March 2020 | 31 March 2023                            | 31 March 2020 | 31 March 2023  | 31 March 2020 |           |
| <b>Particulars</b>                                   |                                 |               |               |               |                          |               |  |               |  |               |           |
| <b>Investment in Ordinarily associated companies</b> |                                 |               |               |               |                          |               |  |               |  |               |           |
| Vatika Scripco Park Private Limited                  | -                               | 3,531.68      | -             | -             | -                        | -             | -  | -             | -  | -             | 3,531.68  |
| Vatika Seven Dwarves Private Limited                 | -                               | 98.30         | -             | -             | -                        | -             | -  | -             | -  | -             | 98.30     |
| <b>30% of investment</b>                             |                                 |               |               |               |                          |               |  |               |  |               |           |
| Standard Private Private Limited                     | -                               | -             | -             | -             | -                        | -             | -  | -             | 34.59  | -             | 34.59     |
| Levanta Developments Private Limited                 | -                               | -             | -             | -             | -                        | -             | -  | -             | (54.26)  | -             | (54.26)   |
| Shreeji Builders Private Limited                     | -                               | -             | -             | -             | -                        | -             | -  | -             | 20.06  | -             | 20.06     |
| <b>Repairs &amp; Maintenance Expenses</b>            |                                 |               |               |               |                          |               |  |               |  |               |           |
| Vatika Health Private Limited                        | -                               | -             | -             | -             | -                        | -             | -  | -             | 1,418.33   | 655.33        | 3,418.58  |
| <b>Joint ventures (net of IFRS)</b>                  |                                 |               |               |               |                          |               |  |               |  |               |           |
| 01 Tech Park Developments Private Limited            | 26.85                           | 28.26         | -             | -             | -                        | -             | -  | -             | -  | -             | 26.85     |
| <b>Requirements of subscribers received</b>          |                                 |               |               |               |                          |               |  |               |  |               |           |
| Vatika Health Private Limited                        | -                               | -             | -             | -             | -                        | -             | -  | -             | 12,545.08  | 11,795.09     | 12,545.08 |
| Great Properties Private Limited                     | 2,462.40                        | 2,990.55      | -             | -             | -                        | -             | -  | -             | 2,432.44   | 2,496.55      | 4,924.89  |
| Empo Developments Private Limited                    | 3,075.76                        | 1,609.64      | -             | -             | -                        | -             | -  | -             | 1,275.74   | 1,839.20      | 4,915.00  |
| Murali Developments Private Limited                  | (1,213.09)                      | 5,054.92      | -             | -             | -                        | -             | -  | -             | (1,293.66)   | 3,874.52      | 2,661.43  |
| Siddhanta Real Estate Private Limited                | 78.63                           | 86.33         | -             | -             | -                        | -             | -  | -             | 79.63  | -             | 158.26    |
| Formosa Developments Private Limited                 | -                               | 1,736.64      | -             | -             | -                        | -             | -  | -             | -  | -             | 1,736.64  |
| Adhoni Developments Pvt. Ltd.                        | -                               | -             | -             | -             | -                        | -             | -  | -             | 3.36   | 4.80          | 8.16      |
| Vatika Homes & Health Pvt. Ltd.                      | -                               | -             | -             | -             | -                        | -             | -  | -             | 18.59  | 33.59         | 52.18     |
| Shreeji Builders Private Limited                     | -                               | -             | -             | -             | -                        | -             | -  | -             | 3,338.81   | -             | 3,338.81  |
| Prabhoo Builders Private Limited                     | -                               | -             | -             | -             | -                        | -             | -  | -             | 4,634.77   | 2,798.25      | 7,433.02  |
| Gencon Developments Private Limited                  | 1,621.09                        | 1,438.20      | -             | -             | -                        | -             | -  | -             | 1,074.09   | 1,430.14      | 2,504.23  |
| PDV Education Private Limited                        | -                               | -             | -             | -             | -                        | -             | -  | -             | 1.75   | 255.40        | 257.15    |
| <b>Amounts received by or on behalf of Vayala</b>    |                                 |               |               |               |                          |               |  |               |  |               |           |
| Vatika Health Private Limited                        | -                               | -             | -             | -             | -                        | -             | -  | -             | 809.62   | -             | 809.62    |
| Vatika One India Next Dynamic Limited                | 33.04                           | -             | -             | -             | -                        | -             | -  | -             | 51.94  | -             | 84.98     |
| Prabhoo Developments Private Limited                 | 449.95                          | -             | -             | -             | -                        | -             | -  | -             | 400.52   | -             | 850.47    |
| Vatika Infinitum Private Limited                     | -                               | -             | -             | -             | -                        | -             | -  | -             | 178.28   | -             | 178.28    |
| <b>Amounts paid on behalf of the Companies</b>       |                                 |               |               |               |                          |               |  |               |  |               |           |
| Vatika Health Private Limited                        | -                               | -             | -             | -             | -                        | -             | -  | -             | 15.54  | -             | 15.54     |
| Prabhoo Builders Private Limited                     | (8.42)                          | -             | -             | -             | -                        | -             | -  | -             | -  | -             | (8.42)    |
| 01 Tech Park Developments Private Limited            | 48.37                           | -             | -             | -             | -                        | -             | -  | -             | -  | -             | 48.37     |
| Vatika One India Next Dynamic Limited                | 1,312.50                        | 1,407.94      | -             | -             | -                        | -             | -  | -             | -  | -             | 2,720.44  |
| Vatika Scripco Park Private Limited                  | 11.00                           | 47.82         | -             | -             | -                        | -             | -  | -             | -  | -             | 58.82     |
| Vatika Seven Dwarves Private Limited                 | 67.71                           | -             | -             | -             | -                        | -             | -  | -             | -  | -             | 67.71     |
| <b>Reversal of interest on Debentures</b>            |                                 |               |               |               |                          |               |  |               |  |               |           |
| Levanta Developments Private Limited                 | -                               | -             | -             | -             | -                        | -             | -  | -             | 1,903.08   | -             | 1,903.08  |
|  |                                 |               |               |               |                          |               |  |               |  |               | 1,903.08  |

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for Vatika Limited  
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Vatika Limited  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

Note 24 (cont'd)

(Rs. in lakhs)

|  | Subsidiaries and Joint Ventures |               | Total         |               | By management personnel | Reference of key management personnel | Key persons named or significantly influenced by key management personnel or their relatives |               | Total         |               |
|--|---------------------------------|---------------|---------------|---------------|-------------------------|---------------------------------------|--|---------------|---------------|---------------|
|  | 31 March 2021                   | 31 March 2020 | 31 March 2021 | 31 March 2020 |                         |                                       | 31 March 2021  | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| <b>Particulars</b>   |                                 |               |               |               |                         |                                       |  |               |               |               |
| Bhawan Thaparika Private Limited   | 0.21                            | 0.28          | -             | -             | -                       | -                                     | 0.21   | 0.28          | 0.21          | 0.28          |
| Parsons Builders Private Limited   | -                               | -             | -             | -             | -                       | -                                     | 0.21   | 0.28          | 0.21          | 0.28          |
| VLM Private Limited  | -                               | -             | -             | -             | -                       | -                                     | 0.21   | 0.28          | 0.21          | 0.28          |
| Mumbai Development Private Limited   | 0.21                            | -             | -             | -             | -                       | -                                     | -  | -             | 0.21          | -             |
| Central Development Private Limited  | 0.21                            | 0.28          | -             | -             | -                       | -                                     | -  | -             | 0.21          | 0.28          |
| <b>Interim income tax allowances</b>   |                                 |               |               |               |                         |                                       |  |               |               |               |
| Vatika Builders Private Limited  | -                               | -             | 10.70         | 10.50         | -                       | -                                     | -  | 10.97         | 10.97         | 20.27         |
| <b>Deposits given</b>  |                                 |               |               |               |                         |                                       |  |               |               |               |
| Vatika   | -                               | -             | 10.70         | 10.50         | -                       | -                                     | -  | 10.70         | 10.70         | 20.27         |
| <b>Net liabilities transferred pursuant to execution of sale of business</b> |                                 |               |               |               |                         |                                       |  |               |               |               |
| Mumbai Development Private Limited   | -                               | -             | -             | -             | -                       | -                                     | -  | (2,296.00)    | -             | (2,296.00)    |
| <b>Profit on liquidation of investments</b>                                  |                                 |               |               |               |                         |                                       |  |               |               |               |
| Investment Private Limited   | -                               | -             | -             | -             | -                       | -                                     | 21.76  | -             | 21.76         | -             |
| <b>Business segment liability</b>  |                                 |               |               |               |                         |                                       |  |               |               |               |
| Geostellar Systems and Services Private Limited                              | -                               | -             | -             | -             | -                       | -                                     | 416.31   | 75.74         | 416.31        | 75.74         |
| Lotus Health   | -                               | -             | -             | -             | -                       | -                                     | 0.01   | -             | 0.01          | -             |
| Gyanan Bharti  | -                               | -             | -             | -             | -                       | -                                     | 0.01   | -             | 0.01          | -             |
| Vatika Health Services Limited   | -                               | -             | -             | -             | -                       | -                                     | 151.12   | 151.86        | 151.12        | 151.86        |
| Mumbai Development Private Limited   | -                               | -             | -             | -             | -                       | -                                     | 0.79   | 1.03          | 0.79          | 1.03          |
| <b>V-Gate</b>  |                                 |               | 11.76         | -             | -                       | -                                     | -  | -             | 11.76         | -             |

(The year has been audited by PwC)



for Vatika Limited

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Vatika Limited  
Summary of significant remuneration policies and other explanatory information for the year ended 31 March 2020

(Rs. in lakhs)

| Particulars                                    | Subsidiaries and Joint Ventures |               | Trust         |               | Key management personnel |               | Relatives of key management personnel |               | Executive control or significant influence by key management personnel or their relatives |               | Total         |               |
|--|---------------------------------|---------------|---------------|---------------|--------------------------|---------------|---------------------------------------|---------------|---|---------------|---------------|---------------|
|  | 31 March 2021                   | 31 March 2020 | 31 March 2021 | 31 March 2020 | 31 March 2021            | 31 March 2020 | 31 March 2021                         | 31 March 2020 | 31 March 2021   | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| <b>C. Balance at year end</b>                  |                                 |               |               |               |                          |               |                                       |               |   |               |               |               |
| Advances and other receivables                 | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 0.21  | -             | 0.21          | -             |
| Eruditi Smart Private Limited                  | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 18,886  | 8,072         | 18,886        | 8,072         |
| Vatika Health Private Limited                  | 0.21                            | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.21          | -             |
| Agrius, Prologics, Perma Limited               | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 13,118  | 13,118        | 13,118        | 13,118        |
| Vatika Lakshmi Private Limited                 | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 7.48  | 5.18          | 7.48          | 5.18          |
| Hamamshree Tech Private Limited                | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.50          | -             |
| Egys Developments Private Limited              | 0.50                            | 0.50          | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.50          | -             |
| Fitpro, Biochem Fitness Limited                | 0.36                            | -             | -             | -             | -                        | -             | -                                     | -             | 0.67  | 0.67          | 0.67          | 0.67          |
| Labs in Development Private Limited            | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| 80 Tech Park Developments Private Limited      | 0.21                            | -             | -             | -             | -                        | -             | -                                     | -             | 0.21  | -             | 0.21          | -             |
| Vatika One India Near Future Limited           | 3.31                            | 0.26          | -             | -             | -                        | -             | -                                     | -             | -   | -             | 3.11          | 0.26          |
| Prock Developments Private Limited             | 0.90                            | 0.90          | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.90          | 0.90          |
| Permaus Developments Private Limited           | 0.18                            | 0.50          | -             | -             | -                        | -             | -                                     | -             | 0.58  | 0.52          | 0.58          | 0.52          |
| Vatika One Enterprise City Private Limited     | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 308.68  | 373.37        | 308.68        | 373.37        |
| Vatika One City One Private Limited            | 0.90                            | 0.36          | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.90          | 0.36          |
| None Private and Developments Private Limited  | 0.21                            | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.21          | -             |
| E-Act Developments Private Limited             | 0.21                            | 208.55        | -             | -             | -                        | -             | -                                     | -             | -   | -             | 208.76        | 208.55        |
| Vatika Srushti Education Private Limited       | 208.55                          | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | 208.55        | -             |
| Vatika Sovereign Park Private Limited          | 202.07                          | 178.22        | -             | -             | -                        | -             | -                                     | -             | 3.21  | -             | 205.28        | 178.22        |
| Dynex Developments Private Limited             | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Avonit Developments Private Limited            | 0.21                            | 0.90          | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.21          | 0.90          |
| Winnor Developments Private Limited            | 0.21                            | 0.45          | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.21          | 0.45          |
| Genus Developments Private Limited             | 0.21                            | 0.21          | -             | -             | -                        | -             | -                                     | -             | 1.97  | -             | 1.97          | -             |
| <b>FDI (Subsidiaries Private Limited)</b>      |                                 |               |               |               |                          |               |                                       |               |   |               |               |               |
| Adhara Private Limited                         | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 3,419.30  | -             | 3,419.30      | -             |
| Beeliant Private Limited                       | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 11.06   | -             | 11.06         | -             |
| Chenah Private and Leachapra Private Limited   | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 3,790.74  | -             | 3,790.74      | -             |
| Vatika Jyoti Private Limited                   | -                               | 141,34,041    | -             | -             | -                        | -             | -                                     | -             | 5,53,574  | -             | 5,53,574      | -             |
| Agrius Private and Perma Limited               | 403,92,052                      | -             | -             | -             | -                        | -             | -                                     | -             | 14,09,92,542  | -             | 14,09,92,542  | -             |
| Marudhara Private Limited                      | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 0.30  | -             | 0.30          | -             |
| Manish Developments Private Limited            | -                               | -             | -             | -             | -                        | -             | -                                     | -             | 2,80,110  | -             | 2,80,110      | -             |
| Perma One Private Limited                      | 26,41,180                       | 15,04,040     | -             | -             | -                        | -             | -                                     | -             | 1,20,140  | -             | 26,67,320     | 15,04,040     |
| Leachapra Private Limited                      | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Manish Developments Private Limited            | 2.80                            | 3.80          | -             | -             | -                        | -             | -                                     | -             | -   | -             | 2.80          | 3.80          |
| Perma Information Private Limited              | 3,05,007                        | 1,50,000      | -             | -             | -                        | -             | -                                     | -             | -   | -             | 3,05,007      | 1,50,000      |
| Perma One Private Limited                      | 1.07                            | 1.82          | -             | -             | -                        | -             | -                                     | -             | -   | -             | 1.07          | 1.82          |
| Perma One Private Limited                      | 892.48                          | 575.93        | -             | -             | -                        | -             | -                                     | -             | -   | -             | 892.48        | 575.93        |
| Perma One Private Limited                      | 0.50                            | 9.54          | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.50          | 9.54          |
| Perma One Private Limited                      | -                               | 800.00        | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | 800.00        |
| 80 Tech Park Developments Private Limited      | 10,000.00                       | 64,000.00     | -             | -             | -                        | -             | -                                     | -             | -   | -             | 10,000.00     | 64,000.00     |
| Vatika One India Near Future Limited           | 15,001.55                       | 13,303.75     | -             | -             | -                        | -             | -                                     | -             | -   | -             | 15,001.55     | 13,303.75     |
| Beeliant Private and Leachapra Private Limited | 1,482.00                        | 1,311.00      | -             | -             | -                        | -             | -                                     | -             | -   | -             | 1,482.00      | 1,311.00      |
| Beeliant Private Limited                       | 0.21                            | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | 0.21          | -             |

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Vatika Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 Page 24 (cont'd)

|  | Rs in lakhs                     |               |               |               |                          |               |                                       |               |   |               |               |               |
|--|---------------------------------|---------------|---------------|---------------|--------------------------|---------------|---------------------------------------|---------------|---|---------------|---------------|---------------|
|  | Subsidiaries and Joint Ventures |               | Trust         |               | Key management personnel |               | Relations of key management personnel |               | Interactions entered or significantly influenced by key management personnel or their relatives |               | Total         |               |
|  | 31 March 2021                   | 31 March 2020 | 31 March 2021 | 31 March 2020 | 31 March 2021            | 31 March 2020 | 31 March 2021                         | 31 March 2020 | 31 March 2021   | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| <b>Particulars</b>                                 |                                 |               |               |               |                          |               |                                       |               |   |               |               |               |
| Advantage 18 / Promoter payable to related parties |                                 |               |               |               |                          |               |                                       |               |   |               |               |               |
| Vatika Development Pvt. Ltd.                       | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika Real Estate Limited                         | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Other Promoters and Development Parties Limited    | 49.26                           | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Other Development Parties Limited                  | 79,070.47                       | 41,311.50     | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika Services Pvt. Limited                       | 686.64                          | 863.75        | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Shriwanee Builders Private Limited                 | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika Seven Elements Private Limited              | 648.45                          | 417.92        | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika Divertoria Limited                          | 46.74                           | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Bharati Development Private Limited                | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Bharati Properties Private Limited                 | 232.56                          | 293.60        | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika One One One Private Limited                 | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| VLSI Properties Private Limited                    | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika One Eighteen One Private Limited            | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika Education Private Limited                   | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika Education Block Pvt. Ltd.                   | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Information received for bond purchases            |                                 |               |               |               |                          |               |                                       |               |   |               |               |               |
| Vatika One Eighteen One Private Limited            | 6,661.40                        | 8,091.46      | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika One Eighteen One Private Limited            | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Geeta Properties Private Limited                   | 4,517.64                        | 11,400.77     | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Tapas Real Estate Private Limited                  | 8,424.86                        | 9,424.26      | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Other Development Parties Limited                  | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Shriwanee Builders Private Limited                 | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Sakshini Builders Private Limited                  | 57.36                           | 40.00         | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Public 24 Builders Private Limited                 | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika Education Information Private Limited       | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Cooper Development Private Limited                 | 6,204.88                        | 7,151.77      | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| 201 Tech Park Development Private Limited          | 6,052.08                        | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| <b>Land subsidiaries receivable</b>                |                                 |               |               |               |                          |               |                                       |               |   |               |               |               |
| PDE Education Private Limited                      | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Samridhi Development Private Limited               | 2,911.28                        | 1,409.70      | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Aravali Development Private Limited                | 20.00                           | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Adhara Development Private Limited                 | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Aravali Development Private Limited                | 1,668.43                        | 2,704.86      | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| <b>Reconciliation payable</b>                      |                                 |               |               |               |                          |               |                                       |               |   |               |               |               |
| Adhara Ltd.  | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Aravali Ltd.                                       | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| <b>Interests receivable on jobbers</b>             |                                 |               |               |               |                          |               |                                       |               |   |               |               |               |
| Vatika Aravali Development Private Limited         | 4,736.94                        | 4,736.94      | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| Vatika Samridhi Development Private Limited        | 1,608.43                        | 1,608.43      | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| <b>Other amounts receivable</b>                    |                                 |               |               |               |                          |               |                                       |               |   |               |               |               |
| Aravali Development Private Limited                | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |
| 201 Tech Park Development Private Limited          | -                               | -             | -             | -             | -                        | -             | -                                     | -             | -   | -             | -             | -             |



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Vatika Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

55. The Company is engaged in the business of providing infrastructural facilities as per section 186(1) read with Schedule III of the Act, accordingly, disclosures under section 186(f) of the Act, is not applicable.

56. The outbreak of "Covid-19" has severely impacted the businesses and economic activities around the world including India. In many countries, including India, there has been severe disruption of regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The uncertain economic environment persists until announcement of lockdown like restrictions by several state governments subsequent to year ended 31 March 2021 due to spread of second wave of COVID-19. Further, the Group has also made assessment of its liquidity position, including recoverability of assets at balance sheet date. Actual impact of Covid-19 pandemic on the Group's results remains uncertain and same is dependent on further spread of the disease, various steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these standalone financial statements. The statutory auditors have expressed an emphasis of matter on the same.

57. The Company has accumulated losses amounting to ₹ 35,206.49 lakhs as at 31 March 2021 and its current liabilities exceed its current assets by ₹ 4,264.03 lakhs. The management of the Company is confident that the Company will be able to generate adequate positive cash flows in order to meet its present and future obligations in the ordinary course of business through sale of unutilized inventory, upcoming new projects and expected compensation on compulsory acquisition of certain land parcels and therefore, continue its operations as a going concern in foreseeable future. Accordingly, these standalone financial statements have been prepared on a going concern basis.

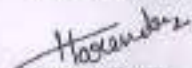
58. The Company had entered into an agreement on 5 February 2019, with respect to sale of its investment in equity shares of Vakta Hitech Private Limited (VHPL) to Vaid Developers Private Limited (the Buyer) for a consideration of ₹ 54,376.93 lakhs, in respect of which the Company had received ₹ 2,500.00 lakhs adjustable security deposit. The consideration includes fixed consideration of ₹ 31,397.86 lakhs and the balance consideration is to be paid based on certain performance based obligations, which have not yet been achieved.

During the year ended 31 March 2020, the shares had not yet been transferred and only part consideration had been received against the sale of such investment. Accordingly, the Company had disclosed such asset as held for sale.

During the year ended 31 March 2020, VHPL was not able to maintain and deliver the performance based obligations, further the pandemic had significantly affected the asset valuation of VHPL. The Company and the Buyer obtained independent valuations to determine the fair value of the stake held by the Company in VHPL. Therefore, during the year ended 31 March 2021, the Company and the Buyer entered into an addendum to the above mentioned agreement wherein the final consideration for sale of investment was agreed at ₹ 31,397.86 lakhs on the basis of independent valuation. Accordingly, considering prudence accounting principles, the Company recognized loss on sale of investment amounting to ₹ 21,231.84 lakhs against the sale of its stake in VHPL. The Company has an outstanding receivable of ₹ 3,232.97 lakhs as at 31 March 2021 (31 March 2020: ₹ 19,397.86 lakhs) in respect of such transaction. In accordance with the addendum agreement, the shares have been transferred to the Buyer at the final agreed consideration and the same is no longer held for sale.

59. The Company has not entered into any derivative instruments during the year.

For Singhal Rajgor & Company  
Chartered Accountants  
Firm's Registration No: 024

  
Harendra Kumar  
Partner  
Membership No: 518078

Place: New Delhi  
Date: 30 November 2021



For and on behalf of the Board of Directors

  
Gaurav Bhatta  
Whole Time Director  
DIN: 10005043  
  
Manish Agarwal  
Chief Financial Officer

  
Raj Kishore Singh  
Director  
DIN: 01205137  
  
Keshav Jha  
Company Secretary

For Vakta Limited

  
Authorized Signatory