



NSL/CS/2020/46

Date: September 01, 2020

To,  
The Department of Corporate Services  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001

**Scrip Code: 542231**

To,  
The Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot no. C/1, Block G,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051

**Scrip Symbol: NILASPACEs**

Dear Sir,

**Sub: Submission of 20<sup>th</sup> Annual Report of the Company for the Financial Year 2019-20**

Pursuant to the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting 20<sup>th</sup> Annual Report of the Company for the financial year 2019-20.

The 20<sup>th</sup> Annual General Meeting to be held through Video Conferencing(VC)/Other Audio Visual Means (OAVM) shall be held on Friday, September 25, 2020 and the intimation and Notice thereof has been submitted to the exchange separately.

20<sup>th</sup> Annual Report and Notice of the Annual General Meeting to be held through Video Conferencing(VC)/Other Audio Visual Means (OAVM) are also available at the website of the Company in the investor segment at [www.nilaspaces.com](http://www.nilaspaces.com).

Thanking you,  
Yours faithfully,  
For, Nila Spaces Limited

  
**Gopi V Dave**  
Company Secretary  
Membership No.: A46865



Encl: a/a

20<sup>th</sup> ANNUAL REPORT

**2019-20**



ANANT SKY

Ranip, Ahmedabad

[www.gujrera.gujarat.gov.in](http://www.gujrera.gujarat.gov.in)

Rera No. PR/GJ/AHMEDABAD/AHMEDABAD  
CITY/AUDA/MAA03316/EX1/141218

Artistic Images



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# About Us



Nila Spaces Limited is a latest enterprise of Ahmedabad headquartered Sambhaav Group, pursuant to the Scheme of Arrangement for Demerger (the "Scheme") of Real Estate (RE) Undertaking of Nila Infrastructures Limited (the "Demerged Company"/NI Ltd) into Nila Spaces Limited (the "Resultant Company") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 with Appointed Date of 01 April 2017.

Nila Spaces Limited is a progressive Real-Estate company that believes in changing the paradigm of the industry by adopting innovative technologies, benchmark quality, robust engineering and uncompromising business ethics. Since its inception, Nila Spaces Limited has functioned with marked distinction in the real estate arena and has demonstrated timeless values and transparency in all spheres of business conduct. Every challenge to provide unswerving real estate to contribute to the growth of the home buyer has been met with tenacity and unmatched dedication.



## Mission

- Strive relentlessly to provide world-class real-estate and contribute towards economic growth by delivering international standards of lifestyle.
- Provide 'housing-for-all' by participating in affordable housing projects thus contributing to national and social causes.
- Innovate and provide intelligent solutions in a manner which is sustainable.
- Engage in challenging projects, adhere to required standards and see them through completion with high levels of integrity and dedication.
- Achieve transparency in every deal and endeavor to deliver on time, each time.



## Vision

Mark our presence as a leading real-estate player, perform with a high level of integrity and harness credibility.

Raise our own benchmarks with every successive endeavor.



## Values

Passion for ideas and innovations

Reliability of processes and practices

Dedication to goals and targets

# Awards & Recognition

## Thought Leadership



## REALTY+ EXCELLENCE AWARDS 2019 – GUJARAT

the real estate initiative of exchange4media group, has conferred their prestigious award to our latest Affordable Housing Project viz. ANANT SKY at Ranip, Ahmedabad in the "Innovative Marketing Concept of the Year" category.

The award ceremony was held at Courtyard by Marriot, Ahmedabad on Friday, June 14, 2019. The award was humbly accepted by Company's marketing leaders Mr. Prakash Patel and Mr. Nisarg Thakkar.



# Board of Directors

## Mr. Jasvinder S Rana – Chairman

Mr. Jasvinder Singh Rana is an ex-IAS officer and has held important positions in government and various public sector units. He possessed varied experience managing government organizations. He was ex MD of GSRTC.

## Mr. Anand B Patel - Managing Director

Mr. Patel had been the Additional City Engineer with the Ahmedabad Municipal Corporation. With over 35 years of hands on experience, he has put in massive efforts in looking after the construction of houses for the urban poor by engaging in Slum Relocation and in-situ Redevelopment; also the EWS/LIG houses under different schemes/programs by GoG, GOI. He has worked assiduously in zonal administrative and engineering projects related to public services. His positive steadfastness has proved to be a remarkable credential in his work area and has earned him elevated endorsements / accolades in the fields of planning, preparation of tenders, execution of capital works in water supply, drainage, SWD, public building works, bridges, roads.

## Mr. Deep S Vadodaria – Director

Mr. Deep Vadodaria is an original thinker with an immense reasoning power. With a problem-solving attitude, he addresses complex issues in his own distinctive manner. With his excellent operational and project execution skills; he is driving the Company to new horizons. His idiosyncratic leadership style is structured on a well-define moral code and provides for an excellent teamwork. He has embedded a culture of review, responsibility and shared accountability to achieve high standards for all.

## Mr. Prashant H Sarkhedi – Director

Mr. Sarkhedi is a passionate professional with more than 23 years of experience in finance, accounting, fund raising and general management. He is a disciplinarian, has in-depth knowledge and insight on diverse subject matters and possesses excellent organizational and motivational skills.

## Ms. Rajal B Mehta – Director

Ms. Rajal is an eminent Strategic Planner & 360° Marketing Consultant with professional educational background of Engineering & MBA. She is engaged in discovering her quest towards the business which she was passionate about from her childhood. She is the founder-CEO of “SMART TOUCH” – a strategic consultancy boutique engaged in exclusive consultancy especially in Real-Estate, FMCG, Health, and Education. Various reputed corporate clients (e.g. Rajani Group of Companies, Ban Labs, Samay Group, ICFAI Business School, & ICRI) as well as public sector undertakings have benefitted from her 15+ years of rich experience. She is a Specialist in perfecting the brand-image and business development based on her skillful ideas, planning, and implementation.

## Mr. Shrinjay S Joshi – Director

Mr. Shrinjay S Joshi is commerce graduate and is an expert of financial services mainly into loan syndication and life insurances. He works through his firm SJ Associates and possess rich experience of more than ten years. Mr. Joshi was the Chairman of CII-Yi (Confederation of Indian Industry – Young Indian) Ahmedabad Chapter and currently he is Chairman of Western Region of CII-Yi.

# Corporate Information

**Mr. Jasvinder S Rana**  
Chairman

**Mr. Anand B Patel**  
Managing Director

**CHIEF FINANCIAL OFFICER**  
**Mr. Rajesh M Shah**

## REGISTERED OFFICE AND CONTACT DETAILS

First Floor, Sambhaav House,  
Opp. Chief Justice's Bunglow,  
Bodakdev, Ahmedabad – 380 015  
**Tel:** +91 79 40036817 / 26870258  
**Website:** www.nilaspaces.com

**SECRETARIAL AUDITOR**  
**M/s. Umesh Ved & Associates**  
Practicing Company Secretary  
Ahmedabad

**Mr. Deep S Vadodaria**  
Director

**Ms. Rajal B Mehta**  
Director

**COMPANY SECRETARY**  
**Ms. Gopi V Dave**

**BANKER**  
Axis Bank Limited  
Bandhan Bank Limited  
(i.e. erstwhile Gruh Finance Ltd.)  
State Bank of India

**INTERNAL AUDITOR**  
**M/s. M P Doshi & Associates**  
Chartered Accountants  
Ahmedabad

**Mr. Prashant H Sarkhedi**  
Director

**Mr. Shrinjay S Joshi**  
Director

**CORPORATE IDENTIFICATION NUMBER**  
**L45100GJ2000PLC083204**

**REGISTRAR & SHARE TRANSFER AGENT**  
**M/s. MCS Share Transfer Agent Limited**  
201, Second Floor, Shatdal Complex,  
Opp. Bata Showroom, Ashram Road,  
Ahmedabad- 380009  
**Phone:** +91 79-26580461/62

**STATUTORY AUDITOR**  
**M/s. Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
Ahmedabad



## Directors' Report

### Dear Members,

The Directors of your Company are pleased to present the 20<sup>th</sup> Annual Report to the Members with the Audited Financial Statements for the Financial Year ended on 31 March 2020.

### STATE OF AFFAIRS OF THE COMPANY:

The Company is public limited and listed at BSE Limited (Scrip code: 542231) and National Stock Exchange India Limited (Scrip code: NILASPACEs) in the business of construction and development of projects for sale. During the year, there is no other change in the state of affairs of the company.

### FINANCIAL HIGHLIGHTS:

The performance of the Company for the Financial Year 2019-20 is as under:

Particulars	(₹ in lakhs, except per equity share data)			
	Standalone for the year ended		Consolidated for the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue from Operations	8,764.97	964.42	8,764.97	947.89
Add: Other Income	615.75	739.87	332.99	739.87
<b>Total Income</b>	<b>9,380.72</b>	<b>1,704.29</b>	<b>9,097.96</b>	<b>1,687.76</b>
Less: Revenue Expenditure	8,500.57	849.13	8,500.57	849.13
Depreciation and Amortization	23.39	15.18	23.39	15.18
Finance cost	623.14	541.41	623.14	541.41
<b>Profit Before Tax</b>	<b>233.62</b>	<b>298.57</b>	<b>(49.14)</b>	<b>282.04</b>
Less: Tax Expenses	(269.31)	20.47	(274.96)	20.47
<b>Net Profit After Tax</b>	<b>502.93</b>	<b>278.10</b>	<b>225.82</b>	<b>261.57</b>
Share of Profit/(Loss) from JV and Associates	-	-	(20.28)	27.36
<b>Net Profit</b>	<b>502.93</b>	<b>278.10</b>	<b>205.54</b>	<b>288.93</b>
Add: Balance Brought Forward from previous Financial Year	481.34	205.87	365.30	79.03
<b>Profit available for appropriation</b>	<b>984.27</b>	<b>483.97</b>	<b>570.84</b>	<b>367.96</b>
Less: Re-measurement gains/(losses) on defined employee benefit plan (Net of tax)	(1.68)	(2.65)	(1.68)	(2.65)
<b>Surplus carried to Balance Sheet</b>	<b>982.59</b>	<b>481.32</b>	<b>569.16</b>	<b>365.31</b>
Add: Security Premium	5.80	5.80	5.80	5.80
Add: General Reserve	7.90	7.90	7.90	7.90
Add: Capital Reserve	7,607.66	7,607.66	7,547.55	7,547.55
<b>Reserves</b>	<b>8,603.95</b>	<b>8,102.68</b>	<b>8,130.41</b>	<b>7,926.56</b>
<b>Share Capital</b>	<b>3,938.89</b>	<b>3,938.89</b>	<b>3,938.89</b>	<b>3,938.89</b>
Earnings per share (EPS) before exceptional item				
Basic	0.13	0.07	0.05	0.07
Diluted	0.13	0.07	0.05	0.07
EPS after exceptional item				
Basic	0.13	0.07	0.05	0.07
Diluted	0.13	0.07	0.05	0.07

### Notes:

- (1) The above figures are extracted from the standalone and consolidated financial statements as per Indian Accounting Standard.
- (2) Equity shares are at par value of ₹ 1 per share.

## CHANGE IN NATURE OF BUSINESS:

During the financial year under review, there has been no change in the nature of business of the Company.

## REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE:

Your Company's primary area of operations includes construction and development of projects for sale and to provide end to end services in the real estate industry. Presently your company focuses on the State of Gujarat and Rajasthan for business. Your company proposes to provide end to end real estate development services by organizing the unorganized land and financial resources and develop residential projects mainly of affordable nature. The detailed review of operations is given in the Management Discussion & Analysis Report.

### Revenues – Standalone and Consolidated:

Company's Revenue from Operations on a standalone basis increased to ₹ 8,764.97 lakhs from ₹ 964.42 lakhs in the previous year, at a growth rate of 808.83%. Company's Revenue from Operations on a consolidated basis increased to ₹ 8,764.97 lakhs from ₹ 947.89 lakhs in the previous year, at a rate of 824.68 %.

### Profits – Standalone:

Your Company's EBITDA on a standalone basis amounted to ₹ 264.40 lakhs (3.02% of revenue from operations), as against ₹ 115.29 (11.95% of revenue from operations) in the previous year. Project and Operations costs were 96.98% of revenue from operations for the year ended 31 March 2020 as compared to 88.05% for the year ended 31 March 2019. The profit before tax was ₹ 233.62 lakhs (2.49% of Total Income), as against ₹ 298.57 lakhs (17.52% of Total Income) in the previous year. Net profit was ₹ 502.93 lakhs (5.36% of Total Income), as against ₹ 278.10 lakhs (16.32% of Total Income) in the previous year.

### Profits - Consolidated:

Your Company's EBITDA on a consolidated basis amounted to ₹ 264.40 lakhs (3.02% of revenue from operations), as against ₹ 98.76 lakhs (10.42% of revenue from operations) in the previous year. Project and Operations costs were 96.98% of revenue from operations for the year ended 31 March 2020 as compared to 89.58% for the year ended 31 March 2019. The Loss before tax was ₹ 69.42 lakhs (0.76% of Total Income), as against ₹ 309.40 lakhs (18.33% of Total Income) in the previous year. Net profit was ₹ 205.54 lakhs (2.26% of Total Income), as against ₹ 288.93 lakhs (17.11 % of Total Income) in the previous year.

## Liquidity – Standalone and Consolidated:

Your Company continues to maintain sufficient cash to meet its operations as well as strategic objectives. The Board of Directors believes that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business risks. Liquidity enables your Company to make a rapid shift in direction, if there is a market demand. The Directors believe that the working capital is sufficient to meet the current requirements. As on 31 March 2020, the Company had liquid assets of ₹ 1,245.05 lakhs, as against ₹ 2,419.52 lakhs at the previous year-ending at 31 March 2019.

## IMPACT OF COVID-19 AND LOCKDOWN:

Due to complete lock down announced by the Government of India, the operations of the Company were also shut down to ensure the safety of our employees, labour force & their families and to contain the spread of COVID-19. This has resulted into adverse effect on the business of the Company during March 2020 and the first quarter of FY2021. The Company has adopted and implemented the work from home policy during the entire duration of the lockdown for its corporate office operations. The Company has also taken all requisite precautions and is adhering to complete safety measures to ensure the safety and well-being of its employees and other stakeholders during resumption of operations at the project sites and corporate office to help fight the spread of COVID-19 pandemic. Considering the demand of housing, the impact of COVID -19 on your Company seems temporary. The broad impact of COVID-19 on the Company is as under.

- a) **Capital and Financial resources** - The Company is having enough capital and adequate banking limits are in place;
- b) **Profitability**- There has some adverse impact on profitability of March 2020. The profitability for the first quarter of FY2021 is likely to hamper.
- c) **Liquidity position**-The Company has enough liquidity due to adequate banking limits being in place. The Company has also taken many cost reduction measures to ensure healthy liquidity position all the time.
- d) **Ability to service debt and other financing arrangements**- As the Company has comfortable liquidity position the Company has been servicing its debt and other financial obligations on timely manner.
- e) **Assets**- The assets of the Company are secured and are in proper working condition.

- f) **Internal financial reporting and control-** Internal Financial reporting and control have not been adversely affected. The Company has provided facility to its employees to work from home during the lock down period and all office functions including accounting, HR management, audit, MIS reporting, financial management, marketing etc. were being facilitated digitally.
- g) **Supply chain-** There is disruption in the supply chain and the construction material are not easily available. The Company expects the same shall get normalized gradually.
- h) **Demand for its products-** The Company is in the business of development of affordable housing schemes and foresee some slowdown in demand of housing in general during H1- FY2021. However, the company is positive and expects that things will get normalized from the beginning H2- FY2021.

#### **REPORT ON PERFORMANCE OF SUBSIDIARY COMPANIES PURSUANT TO RULE 8 (1) OF THE COMPANIES (ACCOUNTS) RULES, 2014:**

Your Company is undertaking various projects through subsidiaries, associates and joint ventures. As per Section 129 (3) of the Companies Act, 2013, your Directors have pleasure in attaching the consolidated financial statements prepared in accordance with the applicable accounting standards with this report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements are available at the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com). The audited financial statements of each of the subsidiary, associate and joint venture are available for inspection at the Company's registered office at Ahmedabad, India and also at registered offices of the respective companies. Copies of the annual accounts of the subsidiary, associate and joint venture will also be made available to the investors of Nila Spaces Limited upon request.

In terms of proviso to Section 129(3) and Rule 8(1) of the Companies (Accounts) Rules, 2014, statement containing the salient features; of the subsidiaries, associates and joint ventures; in the prescribed Form AOC 1 is annexed to this report as **"Annexure B"**.

#### **COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES DURING THE YEAR:-**

During the year there is no change in Subsidiaries, Associates or Joint Ventures of company.

#### **AMOUNT TO BE TRANSFERRED TO GENERAL RESERVES:**

The Company has not transferred any amount to the General Reserve during the year under review.

#### **DIVIDEND:**

As a matter of sound accounting practice and management philosophy; your Directors are of the opinion to make sound economic base for the Company and in order to conserve the resources; do not recommend any dividend for the year under review.

#### **PUBLIC DEPOSITS:**

During the year under review your Company has not accepted any deposits from the public within the meaning of Section 73 and 76 of the provisions of the Companies Act, 2013.

#### **INSURANCE:**

All the existing properties of the Company are adequately insured.

#### **DIRECTORATE:**

Pursuant to Section 203 of the Companies Act, 2013, on 25 May 2019, Mr. Rajesh M Shah, was appointed as Chief Financial Officer of the Company.

Pursuant to Section 196, 197 and 203 of the Companies Act, 2013, Mr. Anand B Patel (DIN: 07272892), who fulfills the conditions prescribed under Schedule V of the Companies 2013, was re-designated and appointed as Managing Director of the Company for a period of 3 (three) years with effect from 12 August 2019. Further, the appointment of Ms. Rajal B. Mehta (DIN: 08182658) as an Independent Women Director was regularised at the 19th Annual General Meeting of the Company.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Prashant H Sarkhedi, (DIN: 00417386) Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment.

Pursuant to Section 161, 196 and 197 of Companies Act, 2013, Mr. Shrinjay S Joshi (DIN: 08692453) was appointed as Additional Director (Non-Executive Independent) of the company on 10 February 2020 for a term of 5 (Five) years, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Necessary resolutions for Appointment/ reappointment of the aforesaid Directors have been included in the Notice convening the ensuing Annual General Meeting and details of the proposal, rational, justification and performance evaluation report, in terms of applicable



Secretarial Standard on General Meeting (SS-2), for the re-appointment of Directors are mentioned in the explanatory statement of the Notice.

Except as mentioned hereinabove, there is no other change in the Board of Directors and Key Managerial Personnel of the Company during the year.

All the Directors have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

**Statement regarding opinion of the Board with regard to appointment of Independent Director during the year:**

In the opinion of the Board the Independent Directors appointed during the year possess highest level of integrity, rich experience and requisite expertise in relevant area. Ms. Rajal B Mehta (DIN:08182658) and Mr. Shrinjay S Joshi (DIN: 08692453) will be undertaking the online proficiency test in due course.

**Declaration given by Independent Director:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 read with 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that there has been no change in the circumstances which may affect their status as an Independent Director and the same has been noted by the Board. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

**Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Circular date 10 May 2018; an annual performance evaluation of the members of the board of its own individually and working of various committees of the board was carried out. Further, in a separate meeting of the Independent Directors held on 10 February 2020 without presence of other Directors and management, the Independent Directors had, based on various criteria, evaluated performance of the Chairman and performance of the other members of the board. The manner in which the performance evaluation was carried out has been explained in the Corporate Governance Report annexed with this report.

**Board and Committee Meetings:**

During the year under review 4 (Four) Board Meetings, 4 (Four) Audit Committee Meetings, 3 (Three) Nomination

and Remuneration Committee and 1 (One) Stakeholder Relationship Meeting were held. The details of the meetings are given in the Corporate Governance Report as a part to the Board's Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The Directors have laid down an adequate system of internal financial controls to be followed by the Company and such internal financial controls are adequate and operating efficiently; and
- f) The Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**REPORTING OF FRAUDS:**

During the year under review there was no instance of any fraud reported by any auditor to the audit committee or the board.

**ALTERATION OF MEMORANDUM AND ARTICLE OF ASSOCIATION:**

During the year under review, there has been no change in the clauses of Memorandum of Association of the Company. A new set of Articles of Association containing regulations in consonance with the Companies Act, 2013 has been adopted at the 19th Annual General Meeting.

## SHARE CAPITAL:

There is no change in share capital of the Company. Presently the paid up capital of the Company is ₹ 39,38,89,200 comprising of 393889200 equity shares of ₹ 1/- each.

## UNCLAIMED DIVIDEND AND UNCLAIMED SHARES:

There is no unclaimed or unpaid amount of dividend with the Company.

The corresponding equity shares of the Company issued and allotted pursuant to the scheme of demerger to the shareholders of Nila Infrastructures Limited whose equity shares of Nila Infrastructures Limited have been, in accordance with Section 124 of the Companies Act, 2013 and rules made there under transferred to and lying with the IEPF authority; have also been credited to the designated IEPF account of the Government.

## CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Company has implemented the procedure and adopted practices in conformity with the code of Corporate Governance as enumerated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The Management Discussion & Analysis and Corporate Governance Report are made part of this report. A certificate from the Statutory Auditors of the Company regarding compliance of the conditions of corporate governance is given in annexure, which is attached hereto and forms part of the Directors' report.

## STATUTORY AUDITORS AND AUDITOR'S REPORT:

M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants (FRN: 102511W/W100298) were appointed at the 19th Annual General Meeting held on 27 September 2019 as Statutory Auditors of the Company to hold the office till the conclusion of 24th Annual General Meeting of the Company.

The report of the statutory auditor is given in this annual report. There is no qualification, reservation or any adverse remark or disclaimer in the audit report of M/s. Dhirubhai Shah & Co. LLP.

## COST AUDIT:

As per the requirement of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company maintains Cost Records, however, appointment of cost auditor and cost audit is not applicable to your Company for the year under review.

## SECRETARIAL AUDITOR'S REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board of Directors had appointed M/s Umesh Ved & Associates, Practicing Company Secretary, Ahmedabad as the secretarial auditor of the Company to conduct secretarial audit for the year 2019-20. The report of the Secretarial Auditor is annexed herewith as **"Annexure D"**. The report of the secretarial auditor is self-explanatory and confirming compliance by the Company of all the provisions of applicable corporate laws.

The delay in filing of one ROC form was on account of operational and procedural matters. The form was filed with additional fees and compliance was made. There is no impact on operations and financials on account of delay in filing this form.

Pursuant to the SEBI circular dated 8 February 2019, the company has obtained an Annual Secretarial Compliance Report from M/s. Umesh Ved & Associates, Practicing Company Secretary.

## AUDIT COMMITTEE:

The Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, reviewed the financial results and financial statements, audit process, internal control system, scope of internal audit and compliance of related regulations as prescribed. The Composition and terms of reference of the audit committee is more specifically given in the Corporate Governance Report as a part of the Board's Report.

## VIGIL MECHANISAM (WHISTLE BLOWER POLICY):

The company has established Vigil Mechanism (Whistle Blower Policy) in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The detail of the Whistle Blower Mechanism is explained in the Corporate Governance Report and the policy adopted is available on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

## DISCLOSURE IN TERMS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an anti-sexual harassment policy and internal compliant committee in line with the

requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. There is no such instance reported during the year under review nor any complaint is pending at the end of the year.

#### **MONITORING AND PREVENTION OF INSIDER TRADING:**

In terms of the Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; the Company has adopted revised Code of Conduct prohibiting, regulating and monitoring the dealings in the securities of the Company by Insiders and Designated Persons while in possession of unpublished price sensitive information in relation to the securities of the Company. The code of conduct is available at the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment. The Company has also in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015; put in place institutional mechanism for prevention of insider trading. The audit committee on yearly basis review the compliances made under the regulation as well as the effectiveness of the internal control system to monitor and prevent insider trading.

#### **STATUTORY DISCLOSURES REQUIRED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:**

There is no foreign exchange earnings and outgo during the year under review. Conservation of energy has always been of immense importance to your Company and all the equipments consuming energy have been placed under continuous and strict monitoring. In view of the nature of the operations, no report on the other matters is required to be made under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

#### **RISK MANAGEMENT:**

Your company recognizes that risks are integral part of business activities and is committed to managing the risks in a proactive and efficient manner. Your Company has robust risk management process involving periodic assessment of various risks and mitigating remedies. Various risks and mitigating remedies are more specifically discussed in MDA report as a part of the board report.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT MADE BY THE COMPANY DURING THE YEAR:**

During the year the Company has made investment of ₹ 1,90,000 and ₹ 1,90,000 respectively into M/s. Bagmar Nila Projects (Udaipur) LLP and M/s. Bagmar Nila Projects (Jodhpur) LLP by way of entering into LLP agreements under the Limited Liability Partnership Act, 2008. The details of all investments made by the Company are more particularly provided under Note No 6 forming

part of the financial statements of the Company for the financial year 2019-20. Details of loans given to other persons covered under Section 186 of the Companies Act, 2013 are given in the Note No 7 relating to related parties to the financial statements.

#### **RELATED PARTY TRANSACTIONS:**

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 the Company has adopted policy on dealing with related party transactions. All related party transactions that were entered into by the Company during the financial year were in the ordinary course of business and were at arm's length basis. There is no material significant related party transaction made by the Company with its Directors, Promoters, Key Managerial Personnel or their relative. All Related Party Transactions are placed before the audit committee / Board, as applicable, for their approval. Omnibus approval is taken for the transactions which are of repetitive in nature. The Related Party Transactions that were entered into by the Company were to facilitate smooth functioning of the ordinary course of business and are in the interest of the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The policy on related party transactions as approved by the Board is available on the website of the company [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

*Disclosures of transactions with related parties in terms of Schedule V read with Regulation 34(3) and 53(f) of SEBI (Listing Obligations Disclosure Requirements) Regulations 2015 as amended is given in Note No 35 of the Notes to the Financial Statements.*

#### **INTERNAL FINANCIAL CONTROL:**

The Board of Directors has in terms of the requirements of Section 134 (5) (e) of the Companies Act, 2013 laid down the internal financial controls. The Company has in place a well-defined organizational structure and adequate internal controls for efficient operations, which is cognizant of applicable laws and regulations, particularly those related to protection of properties, resources and assets, and the accurate reporting of financial transactions in the financial statements. The company continuously upgrades these systems. The internal control system is supplemented by extensive internal audits, conducted by independent firm of chartered accountants.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The provision of the Corporate Social Responsibility as laid down under Section 135 of the Companies Act, 2013 were not attracted by the company. Therefore, no corporate social activities were required to be undertaken.



## NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Nomination and Remuneration Committee and adopted policy on appointment and remuneration of Directors and Key Managerial Personnel. The composition, terms of reference of the Committee are given in the Corporate Governance Report as a part to the Boards' Report. The said policy is also available at the website of the company at [www.nilaspaces.com](http://www.nilaspaces.com) under the investor segment.

## MATERIAL CHANGES:

No material change has taken place after 31 March 2020 and till the date of this report except as reported herein above with respect to the impact of COVID-19 and lock down. The operation of the Company resumed from 23 June 2020.

## EMPLOYEES:

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## PARTICULARS OF EMPLOYEES:

The information as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of the provisions of Section 136(1) of the Companies Act, 2013, the annual report and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the registered office of the company during business hours on any working day of the Company up to the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard. Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the "Annexure C" to this report.

**Place:** Ahmedabad

**Date:** 27 June 2020

## COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

## COMPLIANCE WITH ACCOUNTING STANDARDS:

In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS:

There is no significant and material order passed by any regulator or court or tribunal during the year under review.

## EXTRACT OF THE ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed as "Annexure A" which forms an integral part of this Report and is also available on the Company's website viz. [www.nilaspaces.com](http://www.nilaspaces.com).

## APPRECIATIONS AND ACKNOWLEDGMENTS:

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to become a meaningful player in the infrastructure industry. Your Directors would also like to place on record its appreciation for the support and cooperation your Company has been receiving from its Stakeholders, Corporations, Government Authorities, Joint Venture partners and others associated with the Company. The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Financial Institutions, Government and Regulatory Authorities and Stock Exchanges, for their continued support. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Consultants and Advisors. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be the Company's endeavour to build and nurture strong links with the business based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests.

For and on behalf of the Board of Directors

**Jasvinder S Rana**  
Chairman  
DIN: 01749361

## ANNEXURE A:

### FORM NO MGT 9: EXTRACT OF ANNUAL RETURN (As on financial year ended on 31 March 2020)

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

#### I. REGISTRATION & OTHER DETAILS:

CIN	L45100GJ2000PLC083204
Registration Date	03 May 2000
Name of the Company	Nilas Spaces Limited
Category/Sub-category of the Company	Public Limited Listed Company
Address of the Registered office & contact details	First Floor, Sambhaav House, Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380015 Tel. +91 79 4003 6817/18 Fax: +91 79 3012 6371; Email: secretarial@nilaspaces.com Website: www.nilaspaces.com
Whether listed company	Yes
Name, Address & Contact details of the Registrar & Transfer Agent, if any.	M/s MCS Share Transfer Agent Limited. 201, Second Floor, Shatdal Complex, Opp: Bata Show Room Ashram Road, Ahmedabad-380009 Tel no. (079) 26582878; Fax no. (079) 26581296 Email: mcsstaahmd@gmail.com.

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of Product/service	% to total the turnover of the company
1	Construction of Buildings Carried out on own account basis or on a fee basis	41001	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate Company	% of shares held	Applicable Section
1	Mega City Cine Mall Private Limited	U92412GJ2006PTC048195	Associate Company	42.50%	Section 2(6) of the Companies Act, 2013

**Note:** Statement containing salient features of the Financial Statement of the Subsidiary Companies, Associate companies and Joint Venture in the prescribed Form AOC 1 is annexed to this report as **"Annexure B"**.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A) Category-wise Share Holding

SN	Category	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters Shareholding										
(1) Indian										
a)	Individual/ HUF	243825187	0.00	243825187	61.90	243825187	0.00	243825187	61.90	0.00
b)	Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c)	State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d)	Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub – Total (A.1)		243825187	0.00	243825187	61.90	243825187	0.00	243825187	61.90	0.00
(2) Foreign										
a)	Individual (NRI/Foreign Individuals)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b)	Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c)	Institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d)	Foreign Portfolio Investor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total (A.2)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (A) = (A.1) +(A.2)		243825187	0.00	243825187	61.90	243825187	0.00	243825187	61.90	0.00
B. Public Shareholding										
1. Institutions										
a)	Mutual Funds	5371654	0.00	5371654	1.36	5	0.00	5	0.00	(1.36)
b)	Banks / FI	100000	0.00	100000	0.02	0.00	0.00	0.00	0.00	(0.02)
c)	Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d)	State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Foreign Portfolio Investor	22315001	0.00	22315001	5.67	22415000	0.00	22415000	5.69	0.02
h)	Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i)	Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B.1)		27786655	0.00	27786655	7.05	22415005	0.00	22415005	5.69	(1.36)
2. Non-Institutions										
a)	Bodies Corp.									
i)	Indian	18346122	156000	18502122	4.70	12988582	156000	13144582	3.34	(1.36)
ii)	Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	55884712	6779696	62664408	15.91	54844313	6537796	61382109	15.58	(0.33)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	22438463	1067000	23505463	5.97	35095400	120000	35215400	8.94	2.97
c)	Others Hindu Undivided Families	5640427	0.00	5640427	1.43	5856264	0.00	5856264	1.49	0.06
d)	Non Resident Indians	7989338	0.00	7989338	2.03	8075053	0.00	8075053	2.05	0.02



SN	Category	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e)	Overseas Corporate Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Clearing Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h)	Trusts	7500	0.00	7500	0.00	7500	0.00	7500	0.00	0.00
i)	Foreign Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
j)	IEPF	3968100	0.00	3968100	1.01	3968100	0.00	3968100	1.01	0.00
	<b>Sub-total (B.2)</b>	<b>114274662</b>	<b>8006</b>	<b>122277358</b>	<b>31.05</b>	<b>120835212</b>	<b>6813796</b>	<b>127649008</b>	<b>32.41</b>	<b>1.36</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>142061317</b>	<b>8002696</b>	<b>150064013</b>	<b>38.10</b>	<b>143250217</b>	<b>6813796</b>	<b>150064013</b>	<b>38.10</b>	<b>0.00</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total (A+B+C)</b>	<b>385886504</b>	<b>8002696</b>	<b>393889200</b>	<b>100.00</b>	<b>387075404</b>	<b>6813796</b>	<b>393889200</b>	<b>100.00</b>	<b>0.00</b>

## B) Shareholding of Promoter:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manoj B Vadodaria	53154712	13.49	0.00	53154712	13.49	0.00	0.00
2	Nila M Vadodaria	43955267	11.16	0.00	43955267	11.16	0.00	0.00
3	Alpa K Vadodaria	36800000	9.34	0.00	36800000	9.34	0.00	0.00
4	Kiran B Vadodaria	38608100	9.80	0.00	38608100	9.80	0.00	0.00
5	Deep S Vadodaria	31752108	8.06	0.00	31752108	8.06	0.00	0.00
6	Shailesh B Vadodaria	12960000	3.29	0.00	12960000	3.29	0.00	0.00
7	Mina S Vadodaria	8695000	2.21	0.00	8695000	2.21	0.00	0.00
8	Rajesh B Vadodaria	5000000	1.27	0.00	5000000	1.27	0.00	0.00
9	Chhayaben R Vadodaria	4300000	1.09	0.00	4300000	1.09	0.00	0.00
10	Siddharth R Vadodaria	4300000	1.09	0.00	4300000	1.09	0.00	0.00
11	Karan R Vadodaria	4300000	1.09	0.00	4300000	1.09	0.00	0.00
	<b>Total</b>	<b>243825187</b>	<b>61.90</b>	<b>0.00</b>	<b>243825187</b>	<b>61.90</b>	<b>0.00</b>	<b>0.00</b>

## C) Change in Promoters' Shareholding:

SN	Shareholding for each Promoter and person belonging to Promoter Group	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Manoj B Vadodaria				
	01 April 2019	53154712	13.49		
	31 March 2020	53154712	13.49	53154712	13.49
2	Kiran B Vadodaria				
	01 April 2019	38608100	9.80		
	31 March 2020	38608100	9.80	38608100	9.80

SN	Shareholding for each Promoter and person belonging to Promoter Group	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Deep S Vadodaria				
	01 April 2019	31752108	8.06		
	31 March 2020	31752108	8.06	31752108	8.06
4	Nila M Vadodaria				
	01 April 2019	43955267	11.16		
	31 March 2020	43955267	11.16	43955267	11.16
5	Alpa K Vadodaria				
	01 April 2019	36800000	9.34		
	31 March 2020	36800000	9.34	36800000	9.34
6	Shailesh B Vadodaria				
	01 April 2019	12960000	3.29		
	31 March 2020	12960000	3.29	12960000	3.29
7	Mina S Vadodaria				
	01 April 2019	8695000	2.21		
	31 March 2020	8695000	2.21	8695000	2.21
8	Rajesh B Vadodaria				
	01 April 2019	5000000	1.27		
	31 March 2020	5000000	1.27	5000000	1.27
9	Chhayaben R Vadodaria				
	01 April 2019	4300000	1.09		
	31 March 2020	4300000	1.09	4300000	1.09
10	Siddharth R Vadodaria				
	01 April 2019	4300000	1.09		
	31 March 2020	4300000	1.09	4300000	1.09
11	Karan R Vadodaria				
	01 April 2019	4300000	1.09		
	31 March 2020	4300000	1.09	4300000	1.09

**D) Shareholding Pattern of top ten Shareholders: -  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	Shareholding For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Elara India Opportunities Fund Limited*	12315000	3.13	12315000	3.13
2.	Ashish B Shah <sup>#</sup>	-	-	8615994	2.19
3.	Antara India Evergreen Fund Limited*	5660000	1.44	7500000	1.90
4.	Shobha I Desai*	6243657	1.58	6243657	1.58
5.	HDFC Housing Opportunities Fund <sup>@</sup>	5371654	1.36	-	-

SN	Shareholding For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Tushar R Mehta*	3096050	0.78	3096050	0.78
7.	Jainam Share Consultants Private Limited*	3079180	0.78	2949050	0.75
8.	Elara Capital Mauritius Limited*	2500000	0.63	2500000	0.63
9.	Jitendra V Sanghavi*	2431500	0.61	2749500	0.70
10.	Nisha J Mehta*	1990000	0.50	2180000	0.55
11.	Rajni Tarun Jain#	1500000	0.38	1500000	0.38
12.	Plutus Terra India Fund@	1840000	0.47	-	-

1. The shares of the Company are substantially held in dematerialized form and are traded on a daily basis and hence, the date wise increase/decrease in shareholding is not indicated.

2. \*Common top 10 shareholders as on 01 April 2019 and 31 March 2020.

@ Top 10 shareholders as on 01 April 2019.

# Top 10 shareholders as on 31 March 2020.

#### E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Deep S Vadodaria				
	01 April 2019	31752108	8.06	31752108	8.06
	31 March 2020	31752108	8.06	31752108	8.06
2	Prashant H Sarkhedi				
	01 April 2019	175000	0.04	175000	0.04
	31 March 2020	175000	0.04	175000	0.04
3	Jasvinder S Rana	-	-	-	-
4	Anand B Patel	-	-	-	-
5	Rajal B Mehta	-	-	-	-
6	Shrinjay S Joshi	-	-	-	-
7	Gopi V Dave	-	-	-	-
8	Rajesh M Shah	37000	0.01	37000	0.01

**V. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.  
(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>At the beginning of the year</b>	<b>6,848.17</b>	<b>818.32</b>	<b>-</b>	<b>7,666.49</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,848.17	818.32	-	7,666.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,848.17</b>	<b>818.32</b>	<b>-</b>	<b>7,666.49</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	6,795.43	829.47	-	7,624.90
* Reduction	11,368.03	1,647.79	-	13,015.82
Net Change	(4,572.60)	(818.32)	-	(5,390.92)
<b>Indebtedness at the end of the financial year</b>	<b>2,275.57</b>	<b>-</b>	<b>-</b>	<b>2,275.57</b>
i) Principal Amount	2,275.57	-	-	2,275.57
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,275.57</b>	<b>-</b>	<b>-</b>	<b>2,275.57</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

		(₹ in Lakhs)	
SN.	Particulars of Remuneration	Name of MD*WTD** Manager	Total Amount
		Anand B Patel	
1	Gross salary (per annum)	36.00	36.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- other	-	-
5	Others	-	-
	<b>Total (A)</b>	<b>36.00</b>	<b>36.00</b>
	Ceiling as per Schedule V of the Companies Act, 2013	84.00	84.00

\*MD= Managing Director; \*\* WTD= Whole Time Director



**B. REMUNERATION TO OTHER DIRECTORS:**

(₹ in Lakhs)

SN	Particulars of Remuneration	Name of Directors				Total
		Other NED*		Independent Director		
		Deep S Vadodaria	Prashant H Sarkhedi	Jasvinder S Rana	Rajal B Mehta	
1	Fee for attending board, committee meetings	0.09	-	0.12	0.12	0.33
2	Commission	-	-	-	-	-
3	Others – For attending meeting of Independent Directors	-	-	-	-	-
	Total Managerial Remuneration	0.09	-	0.12	0.12	0.33
	Overall Ceiling as per the Act	₹ 1 Lac per meeting per Director as per Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014				

\* NED -Non Executive Director

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

(₹ in Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel		
		*CS	**CFO	Total
1	Gross salary per annum	2.74	4.74	7.48
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option - Value of Perquisites	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of Profit/ Others	-	-	-
5	Others	-	-	-
	<b>Total</b>	<b>2.74</b>	<b>4.74</b>	<b>7.48</b>

\*CS= Company Secretary \*\* CFO = Chief Financial Officer

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

SN	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A.</b>	<b>COMPANY</b>					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

## ANNEXURE B

### FORM AOC-1:

#### STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES COMPANY, ASSOCIATE COMPANIES AND JOINT VENTURE

Pursuant to Section 129(3) of the Companies Act, 2013 (Disclosure in respect of Subsidiaries, Joint Ventures and Associate) read with Rule 5 of the Companies (Accounts) Rules, 2014.

**a) Statement containing salient features of the financial statements of subsidiary company:** Not Applicable as there is no Subsidiary Company of the Company.

1. Names of subsidiaries which are yet to commence operations - Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

**b) Statement containing salient features of the financial statements of associate companies and joint ventures**

		(₹ in Lakhs)
SN	Name of Associate Companies	Mega City Cine mall Private Limited
1.	Latest audited Balance Sheet Date	31 March 2020
2.	Shares of associates and Joint Ventures held by company on the year end	
	i. Number of Shares	233750
	ii. Amount of Investment	222.06
	iii. Extend of Holding %	42.5%
3.	Description of how there is significant influence	By holding more than 20% of voting power
4.	Reason why the associate / joint venture is not consolidated	Not Applicable
5.	Net worth attributable to shareholding as per latest audited balance sheet	(516.09)
6.	Profit/Loss for the year	(60.01)
	i. Considered in consolidation	(25.50)
	ii. Not considered in consolidation	-

		(₹ in lakhs)
SN	Name of Joint Ventures	Nila Projects LLP
1.	Latest audited Balance Sheet Date	31 March 2020
2.	Shares of associates and Joint Ventures held by company on the year end	99.97%
	i. Number of Shares	N.A
	ii. Amount of Investment	2,262.75
	iii. Extend of Holding %	99.97%
3.	Description of how there is significant influence	By contractual agreement
4.	Reason why the associate / joint venture is not consolidated	Not Applicable
5.	Net Worth attributable to shareholding as per latest audited balance sheet	2,246.61
6.	Profit/(Loss) for the year	(10.41)
	i Considered in consolidation	(10.41)
	ii Not considered in consolidation	-

\*Profit/(Loss) of the LLP is consider in accordance with the Profit Sharing Ratio of the partners

1. Names of associates or joint ventures which are yet to commence operations - Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable

**For Dhirubhai Shah & Co. LLP**  
**Chartered Accountant**

Firm Registration No:102511W/W100298

**For and on behalf of the Board of Directors of**  
**Nila Spaces Limited**

CIN: L45100GJ2000PLC083204

**Harish B Patel**

Partner

Membership No.:014427

**Jasvinder S Rana**

Chairman

DIN: 01749361

**Anand B Patel**

Managing Director

DIN: 07272892

**Deep S Vadodaria**

Director

DIN: 01284293

**Place:** Ahmedabad

**Date :** 27 June 2020

**Rajesh M Shah**

Chief Financial Officer

**Gopi V Dave**

Company Secretary

Membership No.: A46865

**Place:** Ahmedabad

**Date :** 27 June 2020

## ANNEXURE C

### REMUNERATION DETAILS

**PART: 1 [Pursuant to section 197(12) of the Companies Act, 2013 and Rule No. 5 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**1. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

The median remuneration of the employees of the Company as on 31 March 2020 is ₹ 2,74,000/- per annum and the ratio of remuneration of each Director to this median remuneration is as under.

Name of the Director	Ratio of each Director to the median remuneration of the employee
Deep S Vadodaria	N.A.
Prashant H Sarkhedi	N.A.
Jasvinder S Rana	N.A.
Rajal B Mehta	N.A.
Anand B Patel	13.13:1
Shrinjay S Joshi	N.A.

**2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2019-20:**

There was no change in remuneration of directors. During the year Remuneration of Key Managerial personnel increased by following percentage:-

CFO- 12.86%

CS- 5%

**3. The percentage increase in the median remuneration of employees in the financial year:**

The median remuneration of employees was ₹ 2,74,000 per annum and ₹ 2,08,000 per annum as on 31 March 2020 and 31 March 2019 respectively. There is increase of 31.73% in the median remuneration of employees during the year.

**4. The number of permanent employees on the roll of Company:** 21 as on 31 March 2020.

**5. There is no increase in the remuneration of managerial personnel during the year.** The average remuneration of non-managerial personnel is increased by 7.10% mainly due to Salary Increment.

**6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is confirmed that the remuneration paid to the Directors and Key Managerial Personnel are as per the Remuneration Policy of the Company.

**Note:**

- Independent Directors of the Company are paid only sitting fees as per the statutory provisions during the year under review. The ratio of remuneration and percentage increase for Independent Directors is therefore not considered for the aforesaid purpose. The details of sitting fees of Independent Directors are provided in the Corporate Governance Report.
- Employees for the aforesaid purpose include all on roll employees of the Company.



# ANNEXURE D

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2020

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
**NILA SPACES LIMITED**  
(Formerly Known as Parmananday Superstructure Limited)  
1<sup>st</sup> Floor, Sambhaav House,  
Opp. Chief Justice Bunglow,  
Bodakdev, Ahmedabad – 380015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nila Spaces Limited (Formerly Known as Parmananday Superstructure Limited) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives in electronic form using the Information Technology Tools due to lockdown on account of COVID-19, during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit year covering the year ended on 31 March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September 2018); **(Not Applicable to the Company during the Audit Period)**
  - (vi) Transfer of Property Act, 1882;
  - (vii) Registration Act, 1882;
  - (viii) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
  - (ix) The Land Acquisition Act, 1894;
  - (x) Real Estate Regulation Act, 2017

- (xi) The Gujarat Town Planning and Urban Development Act, 1976
- (xii) The Environment (Protection) Act, 1986
- (xiii) The Gujarat Land Revenue Code, 1879
- (xiv) The Gujarat Tenancy & Agricultural Lands Act, 1948
- (xv) The Indian Stamp Act, 1899
- (xvi) The Gujarat Stamp Act, 1958
- (xvii) The Gujarat Ownership Flats Act, 1973
- (xviii) The Indian Contract Act, 1872
- (xix) The Gujarat Shops and Establishments Act, 1948
- (xx) The Contract Labour (Regulation and Abolition) Act, 1970
- (xxi) Gujarat Real Estate (Regulation and Development) General Rules, 2017
- (xxii) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

*One form required to be filed under the provisions of the Companies Act, 2013 was filed after the statutory period along with the additional filing fees.*

#### **We further report that:**

Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions in the Board is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **We further report that following items were considered and approved by shareholder of Nila Spaces Limited at the Annual General Meeting held on 27 September 2019**

1. Approval of borrowing power under section 180(1)(c) of the Companies act, 2013.
2. Approval of authority to Board of director under section 180(1)(a) of the Companies act, 2013

**Place:** Ahmedabad

**Date:** 27 June 2020

**Umesh Ved**  
**Umesh Ved & Associates**  
**Company Secretaries**  
**FCS No.: 4411**  
**C.P. No.: 2924**  
**UDIN: F004411B000390093**

To,  
The Members,  
**NILA SPACES LIMITED**  
(Formerly Known as Parmananday Superstructure Limited)  
1<sup>st</sup> Floor, Sambhaav House,  
Opp. Chief Justice Bungalow,  
Bodakdev, Ahmedabad – 380015

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Place:** Ahmedabad  
**Date:** 27 June 2020

**Umesh Ved**  
**Umesh Ved & Associates**  
**Company Secretaries**  
**FCS No.: 4411**  
**C.P. No.: 2924**  
**UDIN: F004411B000390093**

## MANAGEMENT DISCUSSION AND ANALYSIS

### THE ECONOMIC SCENARIO:

Uncertainty has gripped the world with the outbreak of COVID-19. The implied real GDP growth of 5 per cent for FY2020 in the second advance estimates of the National Statistics Office, is now at risk from the pandemic's impact on the economy. Off late, most businesses have deferred their real estate decisions due to the impending crisis. With a nationwide lockdown in place, there was enhanced emphasis on business continuity plans and management of costs to mitigate the adverse effects of the pandemic. Construction activity and the process of obtaining requisite approvals from the government also slowed down in the beginning of March, in line with growing concerns of the impact of COVID-19, before it came to a standstill. In the medium to long run, the current crisis will lead to corporates re-evaluating their commercial real estate strategy to make it more resilient to such shocks. Business continuity plans and remote working strategies have already been successful.

### THE INDUSTRY SCENARIO:

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

The COVID-19 pandemic induced lockdown led to a loss in revenue to the Gujarat government due to zero stamp duty and registration income. The state government has allowed the registration of property from 24 April 2020. However, the income from it is expected to remain low due to the lack of real estate transactions. Gujarat Real Estate Regulatory Authority allowed realtors to apply for a one-time extension in their project completion deadlines. The extension will be provided to all registered projects having their completion date on and between 01 April 2020 and 31 March 2021.

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Private Equity and Venture Capital investments in the sector have reached US\$ 1.47 billion between Jan-Mar 2019. Between 2009-2018, Indian real estate sector attracted institutional investments worth US\$ 30 billion. According to data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), construction is the fourth largest sector in terms of FDI inflows.

Real estate market in India was ₹ 12,000 crore in 2019, which is expected to reach a market size of ₹ 65,000 crore by 2040. It shall contribute 13 per cent of the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

The Securities and Exchange Board of India (SEBI) has given its approval for the REIT platform which has enabled all kinds of investors to invest in the Indian real estate market. It is expected to create an opportunity worth ₹ 1,25,000 crore in the Indian market over the years. Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering. The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

The Government of India, alongwith the governments of the respective states, has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- In order to revive around 1,600 stalled housing projects across the top cities in the country, the Union Cabinet has approved the setting up of ₹ 25,000 crore alternative investment fund (AIF).
- Under Pradhan Mantri Awas Yojana (Urban), 1.12 crore houses have been sanctioned in urban areas.
- Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of ₹ 10,000 crore using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.

### THE COMPANY:

Your Company has a land bank of over 16 acres (in-and-around Ahmedabad); and holds the near-future potential to develop 40 lakh sq.ft. Business Strategy of your Company is to partake in the opportunities available in Affordable Housing space i.e. Affordable Housing Schemes, where the buyers get a chance to avail benefits under PMAY – Housing for All Mission. The main growth drivers are considered as:



- Huge demand-supply gap in housing per-se and specifically Affordable Housing.
- The size and scale of governments initiatives - "Housing for All by 2022", and "Smart cities".
- The State Government contributes upto ₹ 150,000 as the subsidy per unit over and above ₹ 150,000 per unit that the Central Government provides, which serves to drive up affordability.
- Existing society Redevelopment opportunities.

#### BUSINESS ENDEAVOUR EVALUATION:

Your Company's comprehensive evaluation of opportunities includes the following parameters:

- Market: Local economic conditions, demand-supply outlook, interest/inflation rate scenario, etc.
- Pre-development: Financing flexibility to fund the early design work, community/political participation/opposition, government stability over the life of the project, environmental problems, site selection and regulatory approval delays, land acquisition, etc.
- Finance: Commercial viability of the project, capacity of the lender to evaluate and speed in providing the credit lines, repayment mechanism, credit availability on viable terms, etc.
- Construction: Viability of the design/technology, availability of labour and raw-material, outlook of raw-material cost, contractor failure, developer's access to funds on a timely basis for construction, etc.

Throughout this process, your Company has to identify and mitigate inherent risks that can adversely affect the project. It is broadly evaluated in three parts: 1) preliminary considerations, market analysis, financial analysis, and strategic marketing; 2) site selection and due diligence, land acquisition, deal structure, entitlements,

permissions, etc.; and 3) planning and design, construction management, operations and property management. Hence, with sufficient due-diligence the project is selected and execution is carried-out accordingly by your Company.

#### FINANCIAL RESOURCES:

The foremost source of finance of your Company has traditionally been internal accruals and borrowings from Bandhan Bank Limited (i.e. erstwhile GRUH Finance Limited). Your Company deems it sufficient to address the ongoing business endeavours.

#### JOINT VENTURES:

In order to share risk and cost, experience and expertise your Company develops certain projects in association with other renowned corporates and has formed associates and joint ventures. This provides a larger scale to your Company to work on specific operations. Your Company looks upon them as partners in its progress and shares with them the rewards of growth. It is your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and Cooperation with each other, consistent with consumer interest.

#### SEGEMENT WISE AND FINANCIAL PERFORMANCE OF OPERATIONS:

The entire operations of the Company constitute a single segment i.e. "Construction and Development of Building for sale and other Real Estate activities" as per Ind AS 108 "Operating Segments" specified under Section 133 of the Companies Act 2013. The financial performance of the operations thereof may please be referred in the Director's Report section under the head "Review of Operations and Financial Performance"

#### KEY FINANCIAL RATIOS:

The detailed discussion on financial performance is captured in the Directors' Report section of this Annual Report, while analysis of key ratios is furnished further.

Ratio	FY2020	FY2019	Detailed explanation
<b>Debtor Turnover</b>	194.06	26.06	The credit policies and collection process of your Company are satisfactory and commensurate to the industry and/or the segment it operates into. Your Company mainly deals with retail/individual buyers, who in turn would approach a bank/FI for sanction of their home-loan. Your Company has tied-up with three (3) first-rung banks/NBFCs, while the project is approved by certain banks/NBFCs. The Collection process for the ongoing project has improved. While, during the FY your company has sold an entire project viz. Arham Residency that has resultantly increased the overall debtors as compared to previous FY.
<b>Days</b>	2	14	

Ratio	FY2020	FY2019	Detailed explanation
<b>Inventory Turnover Days</b>	0.89	0.08	Your Company has sold an entire project viz. Arham Residency and hence the inventory has decreased during the FY as compared to previous year. Hence, this movement in inventory turnover.
<b>Interest Coverage Ratio</b>	411	4676	Your Company's debt:equity, leverage, gearing are commensurate to the industry and/or the segment it operates into. Your Company has tied-up with Bandhan Bank for its credit requirements. The account of your Company is Standard with Bank. For FY2020, the interest coverage has marginally reduced as compared to FY2019, which is mainly owing to lower level of operational profit.
<b>Current Ratio</b>	1.39	1.55	The improvement in current ratio of your Company at 31 March 2020 as compared to that of 31 March 2019 is mainly owing to the increment in current assets on one hand, while reduction in current liabilities on the other during FY2020. It could also indicate that your Company has sufficient ability to pay short-term obligations or those due within one year. Your company has been able to maximize the current assets on its balance sheet to satisfy its current debt and other payables.
<b>Debt : Equity Ratio</b>	40.12	9.91	During FY2020, your Company has paid debt availed on Arham Residency project from the sales consideration. Hence, your Company has successfully reduced its debt equity ratio at 31 March 2020 as compared to 31 March 2019.
<b>Operating Profit Margin (%)</b>	0.20	0.78	During FY2020, the operational expense increased owing to certain maturity of the projects of your Company.
<b>Net Profit Margin (%)</b>	8.92%	49.09%	During FY2020, the incremental operational expenses owing to certain maturity of the projects of your Company have reduced the profitability. Hence, this reduction.
<b>Return on Networth</b>	5.74%	29.34%	This has increased due to incremental profit after tax, while the networth has remained relatively stable.

## OUTLOOK, OPPORTUNITIES, AND THREATS:

Right to adequate housing is a basic human right as shelter is a basic human need. Provision of adequate housing is emerging as a major thrust area for Government and the government accords a very high priority to this task. With all round increase in the cost of land, building materials, labour and infrastructure, affordable housing has become a distant dream for the economically weaker, low income groups, and middle income groups. Hence, the role and intervention of the Government has become all the more important. Sustainable human development cannot be achieved without adequate & affordable housing. Affordable shelter for the masses or creation of productive and responsive housing for all is not a simple technological issue or a mere problem of finance. It is a complex amalgam of a host of factors, which need to be

tackled at all levels and in a synchronised manner. Due to rapid pace of urbanisation, increasing rural to urban migration and the gap between demand and supply, there is a growing requirement for shelter and related infrastructure in urban areas of the country.

The latest mission of the MHUPA i.e. "Pradhan Mantri Awas Yojana – HFA by 2022" offers a considerable opportunity. It aims to build about 200 lakh houses across the length and breadth of the country for EWS, ST, SC, and women (irrespective of caste and religion). HFA along with the "100 Smart Cities" will be a major game changer for the industry. While, the most coveted "Infrastructure" tag to AH has already initiated change in the rules-of-the-game amongst even the established and branded real-estate players.

PMAY has selected 171 cities of Gujarat and 189 cities of Rajasthan for HFA by 2022. The latest progress of PMAY (U) – HFA at 01 June 2020 is furnished below:

State	Project Proposal Considered	Financial Progress (₹ in crores)			Physical Progress (Nos.)		
		Investment in Projects	Central Assistance Sanctioned	Central Assistance Released	Houses Sanctioned	Houses grounded* for construction	Houses Completed*
Gujarat	1,195	61,703	12,313	8,168	6,86,006	6,05,724	4,17,110
Rajasthan	396	14,040	3,639	1,599	2,14,586	1,22,689	98,375
Total	1,591	75,743	15,952	9,767	9,00,592	7,28,413	5,15,485
PAN India	21,566	635,000	166,000	70,910	1,05,00,000	64,80,000	34,23,000

\* Including incomplete houses of earlier NURM.

It can be gathered from the above table that your Company is already operating in states that offer about 9% in numbers and 12% amountwise opportunity. Also, about 61% Central assistance is already released in Gujarat (66%) and Rajasthan (44%) combined together, wherein it is 43% for Pan India. Out of the Houses Sanctioned, Gujarat has completed 61% and Rajasthan 46% that is superior to 33% for Pan India.

#### RISK AND CHALLENGES:

As is typical in expanding business activities your Company has become a subject to a variety of risks, challenges, and threats. It is recognised that risks are not only inherent to any business but are also dynamic in nature. Further, the Company is susceptible to certain risks arising out of various activities undertaken in the normal course of business.

There are many constraints affecting the smooth functioning of the industry in which your Company operates. The table below provides a brief overview of the most significant risks and the company's approach to managing them.

Risk	Explanation	Mitigation approach
Interest rate risk	Your Company's interest costs are impacted by market rates.	Your Company's liquidity and borrowing are managed by professional at Senior management level. The interest rate exposure of your Company is reduced by matching the duration of investments and borrowings.
Credit risk	The flat-buyer's ability to pay can have an impact on the financial result.	As per your Company's policy only the flat-buyer's that get loan from bank/FI/NBFC/HFC and/or who can establish sufficient assets/investments/liquidity are entertained. Receipt plan is drawn per prospective flat-buyer, and is continuously monitored.
Liquidity risk	Acceptable liquidity levels are required in order to achieve desired financial results.	In addition to its own liquidity/internal accruals, your Company enjoys credit facilities from Bandhan Bank to support its business endeavour.
Market risk	Your Company's competitors find ways to sell at dramatically lower cost or with better amenities.	Your Company aims to be the cost and value leader, meaning striving to innovate and bring new and increased value through the innovation to our customers while at the same time working to assure that your Company's operations are world class in terms of efficiency, cost and waste avoidance. Your Company has developed proprietary knowledge with different technologies, while the management provides highest importance to the Quality perspective to ensure long-term sustainable growth.
	Your Company's customers could be impacted by a major economic downturn.	The demand-supply gap for the subject flats at the project site is positive for short-to-long term. Your Company had done internal assessment as well as through an international property consultant of very high repute. Your Company uses market data intelligence to follow and anticipate developments – allowing proactive management of changing market conditions.

Your Company is operating in a business which is cyclic in nature and in which; the price is mainly driven by the demand and supply factors. It is not largely based on the cost of the product. Timely supply of raw material like cement, steel, bricks are essential for timely completion of the projects. Shortage of labour and raw material may delay the execution of projects of the Company. The infrastructure projects are capital intensive in nature. The Company's business requires long-term commitment of capital to meet the financial requirement of long-term projects. Further, timely availability of skilled and technical personnel is also one of the key challenges. Real-estate projects are mainly dependent on the economic scenarios and any adverse events affecting the whole economy may deteriorate the industry as well. Any significant change in government policy in promoting Affordable Housing could pose a threat. Further, the approval process and time for projects are generally uncertain which may delay the execution and thereby affect financials.

Your Company has in place an effective risk management mechanism to identify potential risk and its timely mitigation.

Please refer the **COVID-19** section, part of this Report, for detailed comments on the affects, response, and future-readiness of your Company.

#### **CORPORATE GOVERNANCE:**

Your Company's Corporate Governance philosophy is based on conscience, openness, fairness, professionalism and accountability. These qualities are ingrained in its value system and are reflected in its policies, procedures and systems. Your Company not only believes in adopting the best corporate governance system but also in proactive inclusion of public interest in its corporate priorities. The Company has its mission, vision, goals and core values. The Company is being governed in accordance with the policies, code of conducts, charters and various committees are formed in accordance with the law to ensure governance. The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and listing regulations. The Company has adopted the policies in line with new governance requirements including the Policy on Related Party Transactions, Policy on Material Subsidiaries, CSR Policy and Whistle Blower Policy. These policies are available on the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com). The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

The extract of annual return in Form MGT-9 as required under Section 92(3) and Rule 12 of the Companies

(Management and Administration) Rules, 2014 is appended as an Annexure to this Report. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

#### **WORK CULTURE AND HUMAN RESOURCES:**

The management believes in team work and a corporate environment which is self-motivating. Your Company has successfully developed a work force of people over a period of time i.e. 21 Nos. at 31 March 2020. The top management is acting as the governing force in creating and maintaining the corporate work culture. The businesses that your Company engages in are primarily people-driven. Our Vision is to raise our own benchmarks with every successive endeavour and it is possible only by making every employee a fully engaged and aligned team member. Your Company continues to remain focused on reinforcing the key thrust areas i.e. being the employer of choice, building an inclusive culture, building a strong talent pipeline, building capabilities in the organization and continuing to focus on progressive employee relations policies. Accordingly, our HR policies are centred around the creation of an environment that attracts, nurtures and rewards high-calibre talent. Young engineers gain the opportunity to operate on the frontlines of technology and associate with projects of scale and complexity. We drive sustainable growth and have been instrumental in bringing in thought leadership in building strong employee relations. There is no material development in HR. Your Company continued to build on the Diversity and Inclusion agenda through building leadership capability and recognizing line managers who provide a simple, flexible and respectful work environment for their teams. Your Company is developing future leaders and having the best people practices. A structured leadership development initiative has helped to build a robust talent pipeline at all levels. Our HR organisation is well-gearred towards attraction and retention of engineering talent in an ecosystem that provides long-cycle professional development opportunities in various facets of civil urban infrastructure and caters to career building aspirations of talent at all levels.

#### **INTERNAL CONTROL SYSTEM:**

The Corporate Governance Policy guides the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its three-tiered governance structure and key functionaries involved in governance. The Code of Conduct commits



management to financial and accounting policies, systems and processes. The Corporate Governance Policy and the Code of Conduct stand widely communicated across the Company at all times, and, together with the 'Strategy of Organisation', Planning & Review Processes and the Risk Management Framework provide the foundation for Internal Financial Controls with reference to your Company's Financial Statements. Such Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. These Policies are supported by the Corporate Accounting and Systems Policies that apply to the entity as a whole to implement the tenets of Corporate Governance and the Significant Accounting Policies uniformly across the Company. The Accounting Policies are reviewed and updated from time to time. These, in turn are supported by a set of divisional policies and SOPs that have been established for individual businesses. Your Company uses ERP System as a business enabler and also to maintain its Books of Account. The SOPs in tandem with transactional controls built into the ERP Systems ensure appropriate segregation of duties, tiered approval mechanisms and maintenance of supporting

records. The Information Management Policy reinforces the control environment. The systems, SOPs and controls are reviewed by divisional management and audited by Internal Audit whose findings and recommendations are reviewed by the Audit Committee and tracked through to implementation. Your Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an on-going basis. Your Company has also put in place comprehensive systems and procedural guidelines concerning other areas of business, too, like budgeting, execution, material management, quality, safety, procurement, asset management, human resources etc., which are adequate and necessary considering the size and level of operations of the Company. The management has been making constant efforts to review and upgrade existing systems and processes to gear up and meet the changing needs of the business.

# Report on Corporate Governance

[In terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

At NILASPACES we believe in adopting and adhering to the best standards of Corporate Governance to all the stakeholders. The Company's Corporate Governance is therefore based on the total transparency, integrity, fairness, equity, accountability and commitments to the values. The Company is committed to the best governance practices that create long term sustainable shareholder value. With the object of the Company to conduct its business in a highly professional manner and thereby enhance trust and confidence of all its stakeholders, the Company has devised a complete compliance of Corporate Governance norms.

We at NILASPACES firmly believe that firm Corporate Governance leads to the optimal utilization of resources and enhance the value of the enterprise and an ethical behavior of the enterprise leads to honoring and protecting the rights of all the stakeholders. Sound Corporate Governance practices and ethical business conduct always remain at the core of the NILASPACES's value system.

## 2. BOARD OF DIRECTORS

### 2.1 Composition and category of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors. At the end of the year the Board consists of six directors comprising of three non-executive independent directors including one chairman, one executive director and two other non-executive non independent directors. The appointment of three non-executive independent directors is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is one promoter group non-executive director. Out of the three independent directors there is one woman director. There is no nominee director on the board.

### 2.2 Information in the form of table setting out the skills/ expertise/ competence of the Board of Directors:

The Company operates in the business of construction and development of projects for sale. The Board has identified on the basis of recommendation of Nomination and Remuneration Committee, various skills and expertise like land acquisition and development, construction, project management and execution, business strategy and management, engineering, communication and media, strategic management, business planning and marketing, corporate affairs, financial management, corporate governance, banking, M&A, capital market, fund raising and wealth management, communication, PR, media, and brand building.

The information of skills and expertise available is as under.

Name of Director	Expertise in specific functional area identified by the Board and available
Deep S Vadodaria	Land Acquisition and Development, Construction, engineering, Project Management and Execution, Business Planning and Marketing, Strategic Management, Communication and Media.
Prashant H Sarkhedi	Corporate Affairs, Financial Management, Corporate Governance, Banking, M&A, Capital Market, Fund Raising and Wealth Management
Jasvinder S Rana	Business Planning and Marketing, Strategic Management
Anand B Patel	Construction, engineering, Project Management and Execution, Business Planning
Rajal B Mehta	Marketing, Communication, PR, Media, and Brand Building.
Shrinjay S Joshi	Financial Management, Banking, Fund Raising and Wealth Management

### 2.3 Directorships, Membership on Committees and Meetings Attended:

The Name and Category of the Directors on the Board, their Attendance at Board Meetings held during the year and at the last Annual General Meeting; and the Number of Directorships, Committee Chairmanships or Memberships and Name of the Listed Entities and category of Directorship held by them in other Companies are given below.

SN	Name of Director(s)	Category	Attendance Particulars		#Number of Directorship(s) held In other Companies	##Committee Memberships/ Chairmanships of other Companies		Name of the Other Listed Entities and category of Directorship
			Board Meeting	Last AGM		Member	Chairman	
1	**Jasvinder S Rana	Non-Executive Chairman and Independent Director	4	Yes	-	-	-	-
2	*Deep S Vadodaria	Non-Executive Director	4	No	4	-	-	-
3	** Prashant H Sarkhedi	Non-Executive Director	4	Yes	2	-	-	-
4	** Anand B Patel	Executive Director	4	Yes	1	-	-	-
5	** Rajal B Mehta	Non-Executive Independent Director	4	Yes	-	-	-	-
6	** \$ Shrinjay S Joshi	Non Executive Independent Director	-	N.A.	-	-	-	-

\*Promoter Director; \*\* Non-Promoter Director; \$ Appointed with effect from 10 February 2020.

# Excludes directorship in Nila Spaces Limited

## Committees considered are Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Environment, Health & Safety Committee in other Companies listed at BSE Limited and National Stock Exchange of India Limited excluding that of Nila Spaces Limited. Committee Membership(s) & Chairmanships are counted separately.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are director. The necessary disclosures regarding Committee positions have been made by all the Directors.

## 2.4 Independent Directors confirmation by the Board:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 2.5 Number of Independent Directorships:

As per Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the whole time director of the Company does not serve as an Independent Director in any listed entity.

## 2.6 Details of Number of Meetings of the Board of Directors held and dates on which held

During the year total 4 (Four) meetings of the Board of Directors were held. The dates of the meetings are as under.

Date of Board Meeting	Board Strength	No of Directors Present
25 May 2019	5	5
12 August 2019	5	5
12 November 2019	5	5
10 February 2020	5	5

## 2.7 Disclosures of relationship between Directors inter-se:

None of the Directors of the Company are related with each other in any manner.

## 2.8 Number of shares and convertible instruments held by Non-Executive Directors:

Mr. Deep S Vadodaria holds 31752108 equity shares and Mr. Prashant H Sarkhedi holds 175000 equity shares of the Company. Other than this no Non-executive Director holds any share of the Company.

## 2.9 Performance Evaluation & Familiarization programs imparted to Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, after considering various criteria, the performance evaluation of the Board Members was carried out. Various aspects like attendance and participation at meetings, suggestions, inputs at discussions, adherence to various codes and policies, role in overall growth etc. were taken into consideration while evaluating the Board. The detailed performance evaluation framework is displayed at the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com). The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process.

The Company believes that a Board, which is well informed / familiarized with the Company, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors have been familiarized on a continuing basis on changes / developments corporate and industry scenario including those pertaining to statutes / legislations and economic environment, by way of presentations, board review notes, regular updates of projects and business operations, meetings etc. to enable them to take well informed and timely decisions.

The details of familiarization programs are available at the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

## 2.10 Board Diversity and Policy on Director's Appointment and Remuneration:

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of

decisions by utilizing different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, the Board has adopted a policy on 'Board Diversity', which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website [www.nilaspaces.com](http://www.nilaspaces.com).

## 2.11 Code of Conduct for the Board of Directors and Senior Management Personnel:

In Compliance with Part-D under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Board has adopted a code of conduct for the Board of Directors and senior management personnel of the Company. This code of conduct is comprehensive code which is applicable to all Directors and senior management personnel. A copy of the same has been put on the Company's website [www.nilaspaces.com](http://www.nilaspaces.com). The same code has been circulated to all the members of the Board and all senior management personnel. The compliance of the said code has been affirmed by them annually. A declaration signed by the Managing Director of the Company forms part of this Report.

### Declaration of Compliance of Code of Conduct:

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and the Senior Management Personnel and the same is available on the Company's website. I confirm that the Company has in respect of the financial year ended on 31 March 2020 received from the Senior Management Personnel of the Company and the members of the Board a declaration of compliance with Code of Conduct applicable to them

**Place:** Ahmedabad

**Date:** 27 June 2020

**Anand B Patel**

Managing Director

DIN: 07272892

## 2.12 Board Procedure:

Pursuant to the SEBI Laws, Stock Exchanges are being informed about the convening of the Board Meetings at least 5 clear days in advance. The agenda is prepared by the Secretarial Department in consultation with the Chief Finance Officer and Chairman of the Board. The information as required under the SEBI Regulations is made available to the Board. The agenda for the meeting of the Board and its Committees together with the appropriate supporting documents and papers are circulated well in advance of the meeting to enable the Board to take informed decisions. The Stock Exchanges are

informed about the outcome of the Board Meeting as soon as the meeting concludes.

The meetings of the Board and its various Committees are generally held at the Registered Office of the Company at Ahmedabad.

### 2.13 Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 10 February 2020 to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

## 3 AUDIT COMMITTEE

### 3.1 Composition of the Audit Committee:

The audit committee of the Company is comprised of three directors of which two are non-executive independent directors. The chairman of the audit committee is an independent director. The constitution of the audit committee is in line with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Jasvinder S Rana is the Chairman of the committee. He possesses adequate financial accounting knowledge. Mr. Prashant H Sarkhedi and Ms. Rajal B Mehta are the other two members of the audit committee.

### 3.2 Brief Description of the terms of reference of the Audit Committee:

The terms of reference and role of the audit committee as decided by the Board of Directors are in accordance with the provisions of Section 177 of the Companies Act, 2013 and SEBI Regulations as under:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - ii. Changes, if any, in accounting policies and practices and reasons for the same
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft audit report
- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g. Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
- h. Approval or any subsequent modification of transactions of the company with related parties;
- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the company, wherever it is necessary;
- k. Evaluation of internal financial controls and risk management systems;
- l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n. Discussion with internal auditors of any significant findings and follow up there on;
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r. To review the functioning of the Whistle Blower Mechanism (Vigil Mechanism);
- s. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t. To review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify the Internal Controls are adequate and operative effective.
- u. To review mechanism, code of conduct and policy framework under SEBI (Prohibition of Insider Trading) Regulations, 2015 and recommend changes.
- v. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- w. A statement of all transactions with related parties, including their basis shall be placed before the Audit Committee for formal approval / ratification with explanations where there are interested transactions.
- x. Details of material individual transactions with related parties which are not in the normal course of business shall be placed before the audit committee.
- y. The audit committee shall mandatorily review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal weaknesses; and
  - v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - vi. Statement of deviation:
    - Quarterly statement of deviation (s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1).
    - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### 3.3 Meetings of the Audit Committee and Attendance:

Four Audit Committee meetings were held during the year on 25 May 2019, 12 August 2019, 12 November 2019 and 10 February 2020. The time gap between Audit Committee meetings was not more than 120 days.

The details of the attendance of the Members at the Meetings of Audit Committee are as under:

Name of Committee Members	Category	Designation	No. of Meetings during the year	
			Held	Attended
Jasvinder S Rana	Non-Executive Independent Director	Chairman	4	4
Prashant H Sarkhedi	Non-Executive Director	Member	4	4
Rajal B Mehta	Non-Executive Independent Director	Member	4	4

The Statutory Auditors and Internal Auditors of the company are invited in the meeting of the Committee wherever required. The Chief Financial Officer of the Company is a regular invitee at the Meeting.

The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

Recommendations of Audit Committee have been accepted by the Board of Directors wherever/whenever given.

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

##### 4.1 Composition of the Committee:

The Nomination and Remuneration Committee of the Company comprises of three members and all are Non-Executive Directors. Ms. Rajal B Mehta is the Chairman and Mr. Jasvinder S Rana and Mr. Prashant H Sarkhedi are the other two members of the committee. The committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### 4.2 Brief Description of terms of reference of the Committee:

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in accordance with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are as follows:

- To recommend the Board in determining the appropriate size, diversity and composition of the Board;
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulate criteria for performance evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;

##### 4.3 Details of Meetings of the Nomination and Remuneration Committee and Attendance:

Three Nomination and Remuneration Committee meetings were held during the year on 25 May 2019, 12 August 2019 and 10 February 2020. The requisite quorum was present at the meeting.

The table below provides the information of the Nomination & Remuneration Committee members:

Name of Committee Members	Category	Designation	No. of Meetings during the year	
			Held	Attended
Rajal B Mehta	Non-Executive Independent Director	Chairman	3	3
Prashant H Sarkhedi	Non-Executive Director	Member	3	3
Jasvinder S Rana	Non-Executive Independent Director	Member	3	3

##### 4.4 Performance evaluation criteria for independent directors:

The Independent Directors are being evaluated by the members of the Board of Directors other than Independent Directors on the basis of pre-defined evaluation criteria as under:

- Attendance and contribution at the Board and Committee meetings;

- Educational qualification, experience of relevant field, expertise of subjects;
- Leadership qualities, skills, behavior, understanding of business, knowledge of subjects and processes;
- Ability to participate at debates, discussions and quality of suggestions, guidance, advise;
- Traits like integrity, honesty, secrecy maintenance, etc.

## 5. REMUNERATION OF DIRECTORS

### 5.1. Criteria for making payment to non-executive directors:

Various criteria of making payments to non-executive directors are displayed on the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

### 5.2 Details of Remuneration paid during the year:

Disclosures with respect to remuneration and sitting fees paid to the Directors during the year is provided under extract of Annual Report in Form MGT-9 duly annexed with the Board Report.

### 5.3 Pecuniary Relationship or transactions with Non-Executive Directors:

There is no pecuniary relationship or transactions with non-executive directors.

### 5.4 Remuneration Policy:

**The Salient Features of the Nomination and Remuneration Policy of the Company constituted in terms of the provisions of the Companies Act, 2013 and as per the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 as amended from time to time is as under:**

The Full Nomination and Remuneration policy is available at the website of the Company i.e. [www.nilaspaces.com](http://www.nilaspaces.com). The Nomination and Remuneration Policy of the Company Policy is divided in three parts:

**Part – A covers the matters to be dealt with and recommended by the Committee to the Board;**

**Part – B covers the appointment and nomination and**

**Part – C covers remuneration and perquisites etc.**

**PART – A: Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

**The Committee shall:**

- (a) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- (b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial Personnel and Senior

Management positions in accordance with the criteria laid down in this policy.

- (c) Recommend to the Board, appointment and removal of Director, KMP and Senior Management.

### **PART – B: Policy for appointment and removal of Director, KMP and Senior Management**

#### **(a) Appointment criteria and Qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director or Manager who has attained the age of seventy years.

Provided that where any person has attained the age of seventy years and where his appointment or reappointment is approved by passing a special resolution in the General Meeting based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years. In any other case the same shall be approved by Central Government.

#### **(b) Term or Tenure:**

##### **1. Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **2. Independent Director:**

- i. An Independent Director shall hold office for

a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

- ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years from cessation of Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.
- iii. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and in case he is serving as a Whole-time Director of a listed company then he shall serve as Independent Director in three listed companies.

**(c) Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**(d) Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**(e) Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the

prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**PART – C: Policy relating to the remuneration for the Whole-Time Director, KMP and Senior Management**

**(a) General:**

- i. The committee will determine and recommend to Board the remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the limits or conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made there under as amended from time to time.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director or Whole-time Director. Increments will be effective from the date mentioned in the respective resolutions in case of a Managing Director and Whole-time Director and 1st April in respect of other employees of the Company or such other date as may be determined from time to time.
- iv. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**(b) Remuneration to Whole-time Director, Managing Director/ Manager, KMP and Senior Management:**

**i. Fixed pay:**

The Managing Director/Manager, Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, superannuation or annuity fund, gratuity, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**ii. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**iii. Provisions for excess remuneration:**

If any Managing Director and Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**iv. Stock Options:**

In case, Managing Director, Whole-time Director, Company Secretary and Chief Financial Officer, are not being Promoter Director or Independent Director, they shall be entitled to any stock option of

the Company as qualified by the normal employees of the Company. Provided the same shall be subject to the Companies Act, 2013 and rules made there under read with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any amendment or modification thereof.

Senior Management Personnel shall be eligible for stock options as normal employees of the Company.

**(c) Remuneration to Non- Executive / Independent Director:**

**i. Remuneration / Commission:**

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under.

**ii. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The sitting fees shall be decided by the Board of Directors of the Company at its meeting where quorum consists of disinterested directors. In case all the directors are interested, the same shall be decided by the Resolution passed by the Members of the Company.

Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**iii. Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**iv. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.



## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Stakeholders' Relationship Committee to look into the mechanism of redressal of grievances of shareholders and investors of the Company. The Stakeholders' Relationship Committee has three members comprising of three non-executive directors.

### 6.1 Name of the non-executive director heading the committee: Mr. Jasvinder S Rana

### 6.2 Name and designation of Compliance Officer: Ms. Gopi Dave, Company Secretary

### 6.3 Number of shareholders' complaints received so far: NIL

### 6.4 Number not solved to the satisfaction of shareholders: NIL

### 6.5 Number of pending Complaints: NIL

### 6.6 Meetings held during the year:

One Stakeholder Relationship Committee meeting was held during the year on 12 August 2019.

The detail of the attendance of the Members at the meeting of Stakeholder Relationship Committee is as under:

Name of Committee Members	Category	Designation	No. of Meetings during the year	
			Held	Attended
Jasvinder S Rana	Non Executive Independent Director	Chairman	1	1
Prashant H Sarkhedi	Non Executive Director	Member	1	1
Rajal B Mehta	Non Executive Independent Director	Member	1	1

## 7. DETAILS OF WHISTLE BLOWER POLICY (VIGIL MECHANISM)

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy or any misconduct. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The whistle Blower Policy is available at the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com).

## 8. MEANS OF COMMUNICATIONS

### 8.1 Quarterly Results: Company submits financial results on quarterly basis to the Stock Exchanges as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. The copies of quarterly results submitted to the Stock Exchanges are also available on the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

### 8.2 Normally quarterly results of the Company are published in Business Standard (English) and Loksatta Jansatta (Gujarati).

### 8.3 Website of the Company: The Company's website [www.nilaspaces.com](http://www.nilaspaces.com) contains a separate dedicated section namely "Investors" where shareholders information is available. The Annual Report of the Company is also available on the website of the Company at <https://www.nilaspaces.com/investors.html> in a downloadable form.

### 8.4 Whether it also displays official news release and presentation made to institutional investors or to the analyst: Copies of press release and presentation are submitted to stock exchange prior to presentation and release made to institutional investor or to the analysts.

### 8.5 Any presentation(s) made to the institutional investors or to the analysts: Any presentation made to the institutional or/and analyst are also posted on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com).

## 9. GENERAL BODY MEETINGS

### 9.1 Location and time, where last three Annual General Meetings held:

Financial Year	Venue	Date	Time
2016-17	9, Madhuvan Apartment, Behind SukhSagar Tower, Pragna Society Road, Navrangpura, Ahmedabad – 380009	30 September 2017	2:30 P.M.
2017-18	First Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380 015	28 June 2018	10:00 A.M.
2018-19	First Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380 015	27 September 2019	11:00 A.M.

### 9.2 Special Resolution passed at last 3 Annual General Meetings:

Financial Year	Special Resolution passed
2016-17	No special resolution was passed
2017-18	To appoint Mr. Anand Patel as Whole Time Director
2018-19	-Appointment of Mr. Anand B Patel (DIN:07272892) as Managing Director; - Borrowing power under section 180(1)(c) of the Companies Act, 2013; - Authority under section 180(1)(a) of the Companies Act, 2013; - Loan and Investment by the Company under section 186 of the Companies Act, 2013; - Loan, investment, guarantee or security under section 185 of the Companies Act, 2013; - Alteration of Articles of Associations;

### 9.3 Whether any special resolution is proposed to be conducted through Postal Ballot – Details of Voting Pattern: Not Applicable

### 9.4 Details of special resolution proposed through Postal Ballot: None of the Businesses proposed to be transacted at the ensuing 20<sup>th</sup> Annual General Meeting requires passing of a special resolution through postal ballot.

### 10.3 Financial Calendar: Tentative and subject to change for the financial year 2020-2021

Quarter Ending	Release of Results
30 June 2020	Mid of August 2020
30 September 2020	Mid of November 2020
31 December 2020	Mid of February 2021
31 March 2021	Last week of May 2021

## 10. GENERAL SHAREHOLDER INFORMATION

### 10.1 Day, Date, Time and Venue of the 20<sup>th</sup> Annual General Meeting:

**Day and Date:** Friday, 25 September 2020

**Time:** 04:00 p.m.

**Venue:** Through Video Conferencing

### 10.4 Date of Book Closure: 19 September 2020 to 25 September 2020

### 10.5 Dividend Payment Date: Not Applicable

### 10.6 Dividend Payment History: Not Applicable

### 10.7 Unpaid and Unclaimed Dividend: Not Applicable

### 10.2 Financial Year: 01 April 2019 to 31 March 2020

### 10.8 Listing at Stock Exchanges

Name and Address of the Stock Exchanges	Stock Code/Scrip Symbol	ISIN Number for NSDL/ CDSL (Dematerialized shares)
<b>BSE Limited</b> 25 Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	542231	
<b>National Stock Exchange of India Limited</b> Plot No. C/1, G Block, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	NILASPACES	INE00S901012

**10.9 Confirmation of payment of Listing Fees:** The annual listing fees for the year 2019-20 and advance listing fees for the year 2020-21, to the stock exchanges where the securities of the Company are listed, has been paid in prescribed time limit.

#### 10.10 Market Price Data:

The monthly high / low and the volume of the Company's shares trades at BSE Limited and the monthly high/low of the said exchange are as under:

Month	Nila Spaces Limited			BSE Limited	
	High	Low	Volume	High	Low
April 2019	2.68	1.85	4,96,791	39,487.45	38,460.25
May 2019	2.06	1.35	21,27,316	40,124.96	36,956.10
June 2019	2.00	1.55	19,62,563	40,312.07	38,870.96
July 2019	2.50	1.52	7,51,995	40,032.41	37,128.26
August 2019	1.67	1.25	2,98,802	37,807.55	36,102.35
September 2019	1.61	1.18	3,56,976	39,441.12	35,987.80
October 2019	1.41	0.95	3,43,253	40,392.22	37,415.83
November 2019	1.41	1.23	4,21,640	41,163.97	40,014.23
December 2019	1.43	1.01	3,60,889	41,809.96	40,135.37
January 2020	1.34	1.02	25,97,191	42,273.87	40,476.55
February 2020	1.22	0.98	5,38,764	41,709.30	38,219.97
March 2020	1.01	0.51	4,95,938	39,083.17	25,638.90

The monthly high / low and the volume of the Company's shares trades at National Stock Exchange of India Limited and the monthly high/low of the said exchange are as under:

Month	Nila Spaces Limited			National Stock Exchange of India Limited	
	High (₹)	Low (₹)	Volume	High	Low
April 2019	2.65	1.85	35,04,968	11,856.15	11,549.10
May 2019	1.95	1.40	62,57,667	12,041.15	11,108.30
June 2019	1.95	1.60	52,41,935	12,103.05	11,625.10
July 2019	2.40	1.55	18,73,982	11,981.75	10,999.40
August 2019	1.65	1.25	14,59,897	11,181.45	10,637.15
September 2019	1.55	1.15	14,39,784	11,694.85	10,670.15
October 2019	1.40	0.90	18,61,107	11,945.00	11,090.15
November 2019	1.45	1.20	18,30,157	12,158.80	11,802.65
December 2019	1.40	1.00	15,93,924	12,293.90	11,832.30
January 2020	1.35	1.00	61,23,007	12,430.50	11,929.60
February 2020	1.25	0.95	23,32,282	12,246.70	11,175.05
March 2020	1.00	0.45	24,36,116	11,433.00	7511.10

**10.11 In case the securities are suspended from trading; the Directors' Report shall explain the reason thereof:**  
Not Applicable

#### 10.12 Registrar to an issue and Share Transfer Agent:

**M/s MCS Share Transfer Agent Limited**

201, Second Floor, Shatdal Complex, Opp. Bata Show Room; Ashram Road, Ahmedabad – 380 009

Email: mcsstaahmd@gmail.com | Website: www.mcsregistrars.com

Tel No. +91 79 2658 0461 / 62 / 63, Fax No. +91 79 2658 1296

**10.13 Share Transfer System:** The powers of transfer and transmission of shares of the company have been delegated to the RTA of the Company M/s MCS Share Transfer Agent Limited, Ahmedabad. The RTA within time limit prescribed under the law approves and registers the transfer lodged by the investors.

**10.14 Distribution of shareholding as on 31 March 2020:**

Shareholding of nominal value of	Number of Holder		Number of Shares	
	Nos	% of total	Nos	% of total
1 - 500	15121	48.17	3613355	0.92
501 - 1000	7150	22.80	6642854	01.68
1001 - 2000	3377	10.76	5826809	01.48
2001 - 3000	1467	04.67	3976703	01.01
3001 - 4000	686	02.18	2569574	00.65
4001 - 5000	1049	03.34	5148166	01.31
5001 - 10000	1284	04.09	10321994	02.62
10001 - 50000	992	03.16	21331634	05.42
50001 - 100000	130	00.41	9983870	02.53
100001 and Above	132	00.42	324474241	82.38
<b>Total</b>	<b>31388</b>	<b>100</b>	<b>393889200</b>	<b>100</b>

**10.15 Shareholding Pattern as on 31 March 2020:**

Category	No. of shares held	% of total share capital
<b>Promoters' Holding</b>	243825187	61.90
<b>Public holding</b>		
Institutions and Bodies Corporate	35567087	9.03
Individuals	96597509	24.52
HUF	5856264	1.49
Non Resident Indians	8075053	2.05
IEPF	3968100	1.01
<b>Total</b>	<b>393889200</b>	<b>100.00</b>

**10.16 Lock in Shares:**

There are no shares under lock-in as on 31 March 2020.

**10.17 Share Capital Evolution:**

Date of Issue/ Allotment	No. of shares Allotted	Issue Price per share (₹ )	Distinctive Numbers	Type of Issue	Cumulative capital (No of shares)
03 May 2000	70	10	1 - 70	Subscribers to the Memorandum and Articles of Association	70
05 December 2002	49930	10	71 - 49930	Right Issue of Share	50000
31 March 2008	14500	10	49931 - 64500	Right Issue of Share	64500
28 March 2014	14500	10	64501 - 79000	Right Issue of Share	79000
29 June 2018	(79000)	N.A.	1 - 79000	Cancellation of shares pursuant to Scheme of Demerger	(79000)
29 June 2018	393889200	1	1 - 393889200	Scheme of Demerger	393889200

**10.18 Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of listing regulations**

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Board composition	17 (1), (1A) & (1B)	Yes
Meeting of Board of directors	17(2)	Yes
Quorum of Board Meeting	17 (2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Quorum of Nomination & Remuneration Committee Meeting	19 (2A)	Yes
Meeting of Nomination & Remuneration Committee	19(3A)	Yes
Composition of Stakeholder Relationship Committee	20(1), (2) & (2A)	Yes
Meeting of Stakeholders Relationship Committee	20(3A)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	NA
Meeting of Risk Management Committee	21(3A)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1), (1A), (5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2) & (3)	Yes
Approval for material related party transactions	23(4)	Yes
Disclosure of Related Party Transactions on Consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	Yes
Maximum Tenure	25(2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Declaration from Independent Directors	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	N.A.
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes



Particulars	Regulation Number	Compliance status (Yes/No/NA)
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Corporate Governance	27(1)&(2)	Yes
Details of business	46 (2) (a)	Yes
Terms and conditions of appointment of independent directors	46 (2) (b)	Yes
Composition of various committees of board of directors	46 (2) (c)	Yes
Code of conduct of board of directors and senior management personnel	46 (2) (d)	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	46 (2) (e)	Yes
Criteria of making payments to non-executive directors	46 (2) (f)	Yes
Policy on dealing with related party transactions	46 (2) (g)	Yes
Policy for determining 'material' subsidiaries	46 (2) (h)	Yes
Details of familiarization programmes imparted to independent directors	46 (2) (i)	Yes
email address for grievance redressal and other relevant details	46 (2) (j)	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	46 (2) (k)	Yes
Financial results	46 (2) (l)	Yes
Shareholding pattern	46 (2) (m)	Yes
Details of agreements entered into with the media companies and/or their associates	46 (2) (n)	NA
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analyst or institutional investors simultaneously with submission to stock exchange	46 (2) (o)	Yes
New name and the old name of the listed entity	46 (2) (p)	Yes

#### 10.19 Dematerialization of Shares and liquidity:

Trading in the Company's shares is permitted only in dematerialization form for all investors. The Company has established connectivity with CDSL and NSDL through the Registrar, M/s MCS Share Transfer Agent Limited, Ahmedabad, whereby the investors have the option to dematerialize their shares with either of the depositories. As on 31 March 2020, 97.96% of the paid up share capital has been dematerialized.

#### 10.20 Outstanding GDR/ADR/Warrants or any convertible instrument, conversion date and likely impact on equity:

At the end of the year there is no such instrument pending for conversion.

#### 10.21 Commodity price risk or foreign exchange risk and hedging activities:

There is no exposure of the Company involving any commodity price risk or foreign exchange risk and therefore there is no hedging activities undertaken.

#### 10.22 Plant locations:

The Company is in the business of real estate and construction activities and therefore do not have any plant or production units. However, the information regarding various housing projects of the Company is available on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com).

#### 10.23 Credit Rating: Not Applicable

#### 10.24 Address for Correspondence: All shareholder's related enquires; clarifications and correspondence should be addressed at the following address:

##### The Compliance Officer

Nila Spaces Limited 1<sup>st</sup> Floor, "Sambhaav House", Opp: Chief Justice's Bungalow, Bodakdev, Ahmedabad-380015 Email: [secretarial@nilaspaces.com](mailto:secretarial@nilaspaces.com), Fax: +91 79 2687 3922; Phone: +91 79 4003 6817/18

## 11. OTHER DISCLOSURES

### 11.1 Materially Significant Related Party Transaction:

The transaction(s) entered into between the Company and its related parties are disclosed in the Notes forming part of accounts and are in compliance with the Accounting Standards relating to "Related Party Disclosures". There is no materially significant Related Party Transaction wherein Directors and Key Managerial Personnel are interested and that may have potential conflict with the interest of the Company. All material transactions with subsidiaries, associates and joint ventures are in compliance with applicable law.

### 11.2 Statutory Compliances, Penalties and Strictures:

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

### 11.3 Details of non-compliance with mandatory requirements and adoption of the non-mandatory requirements:

There is no non-compliance of any mandatory requirements and adoption of the non-mandatory requirements by the Company.

### 11.4 Web link where policy for determining 'Material Subsidiaries' is disclosed:

The Company does not have any material subsidiary within the meaning of SEBI laws. The Company's policy on determining material subsidiary is placed on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

### 11.5 Web link where policy on dealing with related party transactions:

The Company's policy on dealing with related party transactions is placed on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

### 11.6 Certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified:

A Certificate from a Company Secretary in practice has been received that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The certificate is reproduced herein under.

### 11.7 Total Fees for all services paid by the listed entity and its subsidiaries etc. whose accounts have been consolidated; on a consolidated basis to the statutory auditors for the financial year 2019-20:

SN	Particulars	Consolidated Amount (₹)
1	Audit and Other Fees for Certification etc.	2,12,500

### 12. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTION PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A): Not Applicable

### 13. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

- No. of complaints filed during the financial year: Nil
- No. of complaints disposed of during the financial year: Nil
- No. of complaints pending as at end of the financial year: Nil

### 14. DETAILS OF NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED: Not Applicable

### 15. DISCLOSE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 HAVE BEEN ADOPTED: Not Applicable

### 16. WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, IN THE RELEVANT FINANCIAL YEAR: Not Applicable

### 17. SECRETARIAL AUDIT REPORT FOR SHARE CAPITAL RECONCILIATION:

As stipulated by SEBI, a Secretarial Audit is carried out by an Independent Practicing Company Secretary on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialized and physical mode and the status of the register of members.

### 18. SECRETARIAL AUDIT REPORT FOR COMPLIANCES:

Secretarial Audit has been carried out by an Independent Practicing Company Secretary at the end of the financial year to ensure timely compliances of all applicable acts, laws, guidelines, rules and regulations.

## Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,**  
**The Members of**  
**Nila Spaces Limited**  
**(Formerly Known as Parmananday Superstructure Limited)**

1<sup>st</sup> Floor, Sambhaav House,  
 Opp. Chief Justice's Bungalow,  
 Bodakdev, Ahmedabad -380015

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nila Spaces Limited (Formerly Known as Parmananday Superstructure Limited) having CIN: L45100GJ2000PLC083204 and having registered office at First Floor, Sambhaav House, Opp. Chief Justice's Bungalows, Bodakdev, Ahmedabad -380015 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Jasvinder Singh Rana	01749361	12/10/2017
2	Mr. Deep Shaileshbhai Vadodaria	01284293	12/10/2017
3	Mr. Prashant Himatbhai Sarkhedi	00417386	12/10/2017
4	Mr. Anand Bholabhai Patel	07272892	19/06/2018
5	Ms. Rajal Bhanukumar Mehta	08182658	19/07/2018
6	Mr. Shrinjay Shyamal Joshi	08692453	10/02/2020

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Ahmedabad  
**Date:** 27 June 2020

**Umesh Ved**  
**Umesh Ved & Associates**  
**Company Secretaries**  
**FCS No.: 4411**  
**C.P. No.: 2924**  
**UDIN: F004411B000390786**

# Corporate Governance Compliance Certificate

To  
The Members,  
**Nila Spaces Limited,**

We have examined the compliance with the conditions of Corporate Governance by Nila Spaces Limited ("the Company"), for the year ended on 31 March 2020, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) in the light of COVID-19 situation, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended on 31 March 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
ICAI Registration No. 102511W/ W100298

**Harish B Patel**  
Partner  
Membership No: 014427  
UDIN: 20014427AAABEP9038

**Place:** Ahmedabad  
**Date:** 27 June 2020

## CEO and CFO Certification

To,  
The Board of Directors  
**Nila Spaces Limited**

We, Mr. Anand B Patel, Managing Director and Mr. Rajesh M Shah, Chief Financial Officer responsible for the finance function of the Company certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31 March 2020 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended on 31 March 2020 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and to the Audit committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Anand B Patel**  
Managing Director  
DIN: 07272892

**Rajesh M Shah**  
Chief Financial Officer

**Place:** Ahmedabad  
**Date:** 27 June 2020



# Independent Auditor's Report

To The Members Of Nila Spaces Limited

## I. Report on the Audit of the Standalone Financial Statements

### 1. Opinion

- A. We have audited the accompanying Standalone Financial Statements of NILA SPACES Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

### 2. Basis for Opinion

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

### 3. Key Audit Matters

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

The Key Audit matter	How our audit addressed the key audit matter
As at 31 March 2020, the carrying value of the inventory of ongoing and completed real-estate projects is 7,226.61 lakhs.	As part of our audit procedures,
The inventories are held at the lower of the cost and net realisable value ("NRV").	<ul style="list-style-type: none"><li>We evaluated the design and internal controls related to testing recoverable amounts with carrying amount of inventory and advances, including evaluating management processes for estimating future costs to complete projects.</li></ul>
The determination of NRV involves estimates based on prevailing market conditions and taking into account the stage of completion of the inventory, the estimated future selling price, cost to complete projects and selling costs.	<ul style="list-style-type: none"><li>As regards NRV, for sample of selected projects, compared costs incurred and estimates of future cost to complete the project with costs of similar projects and compared NRV to recent sales or to the estimated selling price.</li></ul>
Advances paid by the Company for acquisition of land or Transferable Development Rights ('TDR'), is recognised as Inventories.	

The Key Audit matter	How our audit addressed the key audit matter
<p>With respect to these advances, the net recoverable value is based on the management's estimates and internal documentation, which include, among other things, the likelihood when the land acquisition would be completed, the expected date of plan approvals for commencement of project and the estimation of sale prices and construction costs.</p> <p>We identified the assessment of the carrying value of inventory as a key audit matter due to the significance of the balance to the financial statements as a whole and the involvement of estimates and judgement in the assessment.</p>	<p>For Advance for land, as a part of audit procedures we,</p> <ul style="list-style-type: none"> <li>• Read the documentation relating to the advance paid and obtained management's the status of the advance.</li> <li>• Obtained and assessed management's assumptions relating to the proposed projects, estimated time frame, and forecast sales.</li> </ul>
<p><b>4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon</b></p> <p>A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon</p> <p>B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.</p> <p><b>5. Management's Responsibility for the Standalone Financial Statements</b></p> <p>A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes</p>	<p>maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p>B. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p> <p>The Board of Directors are responsible for overseeing the Company's financial reporting process.</p> <p><b>6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements</b></p> <p>A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs</p>

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

or conditions may cause the Company to cease to continue as a going concern

- v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. 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.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

## 7 Other Matters

Attention is drawn to the fact that the figures of the corresponding year ended 31 March 2019 are based on the previously issued standalone financial results

that were audited by predecessor auditors who expressed an unmodified opinion vide their audit report dated 25 May 2019.

## II. Report on Other Legal and Regulatory Requirements

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

- A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- E. On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- F. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the

adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note No. 31 of Standalone Financial Statement.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

### For, Dhirubhai Shah & Co. LLP

Chartered Accountants

ICAI Registration No. 102511W/ W100298

### Harish B Patel

Partner

Membership No: 014427

UDIN: 20014427AAABEV8094

Place: Ahmedabad

Date: 27 June 2020

## Annexure-A

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph I(A)(t) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Nila Spaces Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under

section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to standalone financial statements included 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.

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 standalone financial statements.

### Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 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 Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For, Dhirubhai Shah & Co. LLP**

Chartered Accountants

ICAI Registration No. 102511W/ W100298

**Harish B Patel**

Partner

Membership No: 014427

UDIN: 20014427AAABEV8094

**Place:** Ahmedabad

**Date:** 27 June 2020



## Annexure-B to the Independent Auditor's Report – 31 March 2020 (Referred to in our report of even date)

With reference to the “Annexure B” referred to in the Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2020, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us including registered titled deeds, we report that, the title deeds, comprising of all of immovable properties of land and buildings which are freehold, are held in the name of the Company as at Balance sheet date.
- (ii) Inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The company has granted unsecured loans to three companies and two limited liability partnership covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to firms or parties covered in the register required to be maintained under Section 189 of the Act.
  - (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that rate of interest and other terms and conditions of unsecured loans granted by the company to companies and limited liability partnership covered in the register maintained under section 189 of the Act are not, prima facie, prejudicial to the interest of Company.
  - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to companies and limited liability partnership and interest payable thereon are repayable as stipulated. The borrowers have been regular in payment of principal and interest as stipulated.
- (c) There are no overdue amounts of more than 90 days in respect of unsecured loans granted to companies and limited liability partnership covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, with respect to loans granted and investments made by the Company. The Company has not provided any guarantee or security during the year to the parties covered under section 185 and 186 of the Act. Accordingly, compliance under section 185 and 186 of the Act in respect of providing guarantees or securities is not applicable to the company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from public as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks, financial institutions and government. The Company did not have any dues to debenture holders during the year.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and service tax, Duty of excise, Value added tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable

in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and service tax, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (viii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company were applied for the purpose for which they were raised.
- (ix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the management.
- (x) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- (xi) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For, Dhirubhai Shah & Co. LLP**

Chartered Accountants

ICAI Registration No. 102511W/ W100298

**Harish B Patel**

Partner

Membership No: 014427

UDIN: 20014427AAABEV8094

**Place:** Ahmedabad

**Date:** 27 June 2020

# Standalone Balance Sheet

as at 31 March 2020

(₹ in lakhs)			
Particulars	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment	4	12.99	21.49
(b) Investments Properties	5	762.24	1,287.36
(c) Financial Assets			
(i) Investments	6	2,693.71	3,076.36
(ii) Loans	7	3.05	3.08
(d) Other Tax Assets			
(i) Deferred Tax Asset	29D	295.37	-
<b>Total non current assets</b>		<b>3,767.36</b>	<b>4,388.29</b>
(a) Inventories	10	7,226.61	12,439.40
(b) Financial assets			
(i) Trade receivables	11	56.94	33.40
(ii) Cash and cash equivalents	12	108.98	262.85
(iii) Loans	7	1,079.11	2,123.27
(c) Other current assets	8	2,781.81	2,123.71
(d) Other tax assets			
(i) Current Tax Asset (net)	9	87.18	42.34
<b>Total current assets</b>		<b>11,340.63</b>	<b>17,024.97</b>
<b>Total assets</b>		<b>15,107.99</b>	<b>21,413.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	3,938.89	3,938.89
(b) Other equity	14	8,603.95	8,102.68
<b>Total equity</b>		<b>12,542.84</b>	<b>12,041.57</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	2,262.96	7,640.41
(b) Provisions	19	19.53	13.56
<b>Total non current liabilities</b>		<b>2,282.49</b>	<b>7,653.97</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	-	-
(ii) Trade payables			
(iia) Due to micro & small enterprises	17	-	-
(iib) Due to Others	17	265.57	107.11
(iii) Other financial liabilities	16	2.41	25.95
(b) Provisions	19	0.33	0.27
(c) Other current liabilities	18	14.35	1,584.39
<b>Total current liabilities</b>		<b>282.66</b>	<b>1,717.72</b>
<b>Total liabilities</b>		<b>2,565.15</b>	<b>9,371.69</b>
<b>Total equity and liabilities</b>		<b>15,107.99</b>	<b>21,413.26</b>

The accompanying notes 1 to 36 form an integral part of these standalone financial statements.  
As per our report of even date attached

## For Dhirubhai Shah & Co. LLP

Chartered Accountants

Firm's Registration No: 102511W/W100298

## Harish B Patel

Partner

Membership No.: 014427

Place : Ahmedabad

Date : 27 June 2020

## For and on behalf of the Board of Directors of

**Nila Spaces Limited**

CIN : L45100GJ2000PLC083204

## Jasvinder S Rana

Chairman

DIN : 01749361

## Rajesh M Shah

Chief Financial Officer

Place : Ahmedabad

Date : 27 June 2020

## Anand B Patel

Managing Director

DIN : 07272892

## Gopi V Dave

Company Secretary

Membership No.: A46865

## Deep S Vadodaria

Director

DIN : 01284293

## Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(₹ in lakhs)			
Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Income</b>			
Revenue from operations	20	8,764.97	964.42
Other income	21	615.75	739.87
<b>Total income</b>		<b>9,380.72</b>	<b>1,704.29</b>
<b>Expenses</b>			
Cost of material consumed and project expenses	22	8,141.12	596.13
Employee benefits expense	23	156.33	47.44
Finance costs	24	623.14	541.41
Depreciation	4	23.39	15.18
Other expenses	25	203.12	205.56
<b>Total expenses</b>		<b>9,147.10</b>	<b>1,405.72</b>
<b>Profit before tax</b>		<b>233.62</b>	<b>298.57</b>
<b>Tax expense:</b>			
(a ) Current Tax		39.10	57.51
(b ) MAT Credit Entitlement		(39.10)	-
(c ) Adjustments of tax for earlier years		(13.69)	(38.12)
(d) Deferred tax charge/(credit) (net)		(255.62)	1.08
<b>Tax Expense</b>	29	<b>(269.31)</b>	<b>20.47</b>
<b>Profit for the year</b>		<b>502.93</b>	<b>278.10</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of post-employment benefit obligation		(2.33)	(3.73)
Income tax relating to these items		0.65	1.08
<b>Other comprehensive income for the year, net of tax</b>		<b>(1.68)</b>	<b>(2.65)</b>
<b>Total comprehensive income for the year</b>		<b>501.25</b>	<b>275.45</b>
<b>Earnings per equity share (Face value ₹ 1 per share)</b>			
Basic	26	<b>0.13</b>	<b>0.07</b>
Diluted	26	<b>0.13</b>	<b>0.07</b>

The accompanying notes 1 to 36 form an integral part of these standalone financial statements.  
As per our report of even date attached

### For Dhirubhai Shah & Co. LLP

Chartered Accountants  
Firm's Registration No: 102511W/W100298

### Harish B Patel

Partner  
Membership No.: 014427

**Place :** Ahmedabad

**Date :** 27 June 2020

### For and on behalf of the Board of Directors of

### Nila Spaces Limited

CIN :L45100GJ2000PLC083204

### Jasvinder S Rana

Chairman  
DIN : 01749361

### Rajesh M Shah

Chief Financial Officer

**Place :** Ahmedabad

**Date :** 27 June 2020

### Anand B Patel

Managing Director  
DIN : 07272892

### Gopi V Dave

Company Secretary  
Membership No.: A46865

### Deep S Vadodaria

Director  
DIN : 01284293

# Standalone Statement of Changes in Equity

for the year ended 31 March 2020

## Equity share capital

		(₹ in lakhs)
Particulars	Note	Amount
<b>Balance as at 1 April 2018</b>	<b>13</b>	<b>3,938.89</b>
Shares cancel during the year		-
Changes during the year		-
<b>Balance as at 31 March 2019</b>	<b>13</b>	<b>3,938.89</b>
Shares cancel during the year		-
Changes during the year		-
<b>Balance as at 31 March 2020</b>	<b>13</b>	<b>3,938.89</b>

## Other Equity

						(₹ in lakhs)
Particulars	Note	Reserves and Surplus				Total
		Retained earnings	Capital reserve	Securities premium account	General reserve	
<b>Balance as at 1 April 2018</b>	<b>14</b>	<b>205.87</b>	<b>7,607.66</b>	<b>5.80</b>	<b>7.90</b>	<b>7,827.23</b>
Profit for the year		278.10				278.10
<b>Items of other comprehensive income</b>						
Remeasurement of post-employment benefit obligation		(2.65)	-	-	-	(2.65)
<b>Balance as at 31 March 2019</b>	<b>14</b>	<b>481.32</b>	<b>7,607.66</b>	<b>5.80</b>	<b>7.90</b>	<b>8,102.68</b>
Profit for the year		502.93	-	-	-	502.93
<b>Items of other comprehensive income</b>						
Remeasurement of post-employment benefit obligation		(1.68)	-	-	-	(1.68)
<b>Balance as at 31 March 2020</b>	<b>14</b>	<b>982.57</b>	<b>7,607.66</b>	<b>5.80</b>	<b>7.90</b>	<b>8,603.93</b>

The accompanying notes 1 to 36 form an integral part of these standalone financial statements.

### For Dhirubhai Shah & Co. LLP

Chartered Accountants  
Firm's Registration No: 102511W/W100298

### Harish B Patel

Partner  
Membership No.: 014427

Place : Ahmedabad

Date : 27 June 2020

### For and on behalf of the Board of Directors of

### Nila Spaces Limited

CIN : L45100GJ2000PLC083204

### Jasvinder S Rana

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DIN : 01749361

### Rajesh M Shah

Chief Financial Officer

Place : Ahmedabad

Date : 27 June 2020

### Anand B Patel

Managing Director  
DIN : 07272892

### Gopi V Dave

Company Secretary  
Membership No.: A46865

### Deep S Vadodaria

Director  
DIN : 01284293

## Standalone Statement of Cash Flow

for the year ended 31 March 2020

Particulars	(₹ in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Cash flow from operating activities</b>		
Profit before tax	233.62	298.57
<b>Adjustments for:</b>		
Finance cost	623.14	541.41
Depreciation	23.39	15.18
Stamp duty provision	-	39.39
Loss on discard of fixed asset	5.34	-
Share of profit / loss from LLP	0.63	(16.53)
Interest income	(506.77)	(739.87)
(Profit)/Loss on sale of fixed asset	(114.48)	-
<b>Operating profit before working capital changes</b>	<b>264.87</b>	<b>138.15</b>
<b>Changes in working capital adjustments</b>		
Decrease in loans & advances (asset)	0.03	561.52
(Increase) in trade receivables	(23.54)	(470.64)
(Increase)/Decrease in other current assets	(658.10)	70.42
Decrease / (Increase) in inventories	5,212.79	(592.83)
Increase / (Decrease) in trade payables	158.46	(12.14)
(Decrease) / Increase in other financial liabilities	(23.54)	47.37
(Decrease) / Increase in other current liabilities	(1,570.04)	32.68
Increase in provisions	3.70	-
<b>Cash generated from operations</b>	<b>3364.63</b>	<b>(225.47)</b>
<b>Less: Income taxes paid (net)</b>	<b>(70.24)</b>	<b>(146.89)</b>
<b>Net cash flow from operating activities [A]</b>	<b>3,294.39</b>	<b>(372.36)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(1.49)	(1,324.03)
Additional Investment during the year	(3.80)	-
Sale of Fixed Asset	620.87	-
Sale of Investment Properties	386.45	-
Share of Profit/Loss from LLP	(0.63)	16.53
Repayment Loans given to related parties (net)	(818.32)	732.65
Interest income	506.77	457.53
Proceeds of Loan (Asset) from Related Party	609.84	(609.84)
Proceeds of Loan (Asset) from Others	434.32	-
<b>Net cash flow (used in) investing activities [B]</b>	<b>1,734.01</b>	<b>(727.15)</b>
<b>Cash flow from financing activities</b>		
Proceeds from / (repayment) of long term borrowings (net)	(4,559.13)	2,069.17
Proceeds from loans from others	-	818.32
Proceeds from / (repayment) of loans from others	-	(984.37)
Finance costs paid	(623.14)	(541.41)
<b>Net cash flow (used in) financing activities [C]</b>	<b>(5,182.27)</b>	<b>1,361.71</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(153.87)</b>	<b>262.20</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>262.85</b>	<b>0.65</b>
<b>Cash and cash equivalents at end of the year (see note 2)</b>	<b>108.98</b>	<b>262.85</b>



**Notes:**

- 1 The above statement of Cash Flows has been prepared under "Indirect method" as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".
- 2 Reconciliation of cash and cash equivalents as per the Standalone Statement of Cash Flows.

Cash and cash equivalents as per above comprise of the following:

Particulars	(₹ in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash on hand	1.15	1.56
Balance with banks	107.83	261.29
	<b>108.98</b>	<b>262.85</b>

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants

Firm's Registration No: 102511W/W100298

**Harish B Patel**

Partner

Membership No.: 014427

**Place :** Ahmedabad

**Date :** 27 June 2020

**For and on behalf of the Board of Directors of**

**Nilu Spaces Limited**

CIN :L45100GJ2000PLC083204

**Jasvinder S Rana**

Chairman

DIN : 01749361

**Rajesh M Shah**

Chief Financial Officer

**Place :** Ahmedabad

**Date :** 27 June 2020

**Anand B Patel**

Managing Director

DIN : 07272892

**Gopi V Dave**

Company Secretary

Membership No.: A46865

**Deep S Vadodaria**

Director

DIN : 01284293

# Notes to Standalone Financial Statements

for the year ended 31 March 2020

## 1. Corporate Information

Nila Spaces Limited is a Company based in Ahmedabad, Gujarat with its Registered Office situated at 1<sup>st</sup> Floor, Sambhav House, Opp. Chief Justice Bungalow, Bodakdev, Ahmedabad - 380015. Nila Spaces Limited is a public company incorporated on 03rd May 2000 and listed on BSE (Bombay Stock Exchange of India Limited) and NSE (National Stock Exchange of India Limited). The Company is involved in the construction as well as development of infrastructures projects.

## 2. Basis of preparation and measurement

### 2.1. Statement of compliance

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

The standalone financial statements for the year ended 31 March 2020 have been reviewed by audit committee and subsequently approved by Board of Directors at its meetings held on 27 June 2020

Details of the Company's significant accounting policies are included in note 3.

### 2.2. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees, which is also the Company's functional currency. All the amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

### 2.3. Basis of Measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit plans	Fair value of plan assets less present value of defined benefit obligation using key actuarial assumptions

## 2.4. Use of estimates and judgments

In preparing this standalone financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

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

Note 3(h) – Evaluation of percentage completion for the purpose of revenue recognition

Note 3(d) - Identification of the building as an investment property

Note 3(b) – Useful life used for the purpose of depreciation on property, plant and equipment and investment properties and amortisation of intangible assets

Note 3 (e), (i) – Impairment of financial and non-financial assets

Note 3 (f) – Recognition and measurement of defined benefit obligations, key actuarial assumptions

Note 3 (e) – Fair value measurement of financial instruments

Note 3 (j) – Current / deferred tax expense and recognition and evaluation of recoverability of deferred tax assets

Note 3 (l)– Provisions and contingencies

## 2.5. Measurement of fair values

The Company's accounting policies and disclosures requires the measurement of fair values for financial instruments.

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

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 - Investment property

Note 32 – Financial instruments

### 3. Significant Accounting Policies

#### a) Operating Cycle

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 Schedule III of the Companies Act, 2013. Operating cycle for project related assets and liabilities is the time start of the project to their realization in cash or cash equivalents. Operating cycle for all other assets and liabilities has been considered as twelve months.

#### b) Property, plant and equipment Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then

they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

#### Subsequent measurement

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

#### Depreciation

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as other non-current assets.

#### Derecognition

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

#### c) Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

#### Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits associated with the expenditure will flow to the Company. All other expenditure is recognized in the Statement of Profit and Loss as incurred

# Notes to Standalone Financial Statements

for the year ended 31 March 2020

## Amortisation

Intangible assets are amortized on a straight - line basis (pro-rata from the date of additions) over estimated useful life of four years.

## Derecognition

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

## d) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

## Recognition and measurement

Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

## Depreciation

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of investment properties equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## Fair value disclosure

The fair values of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Any gain or loss on disposal of an investment property is recognized in Statement of Profit and Loss.

## e) Impairment of non-financial assets

Non-financial assets of the Company, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

## f) Employee benefits

### Short term employee benefits

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

### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered schemes. Obligations

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the services are rendered by the employees.

### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future

benefits that employees have earned in return for their service in the current and prior periods; that benefits is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

Remeasurement gains or losses are recognized in the Statement of Profit and Loss in the period in which they arise.

### g) Revenue recognition

#### (i) Recognition of Revenue from Real Estate Development:

Revenue is recognised on satisfactory performance obligations in a contract with customers, allocation of transaction price to the performance obligations and recognition of revenue as the performance obligations are satisfied either at a point in time or over a period of time. While recognizing revenue, the cost of land has been allocated in proportion to the percentage of work completed. If the outcome of a construction contract can be estimated reliably, contract revenue is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognized as expenses as incurred unless they create an asset is related to future contract activity. An expected loss on a contract is recognized immediately in the Statement of Profit and Loss.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably

#### (ii) Land and transferrable development rights

Revenue from contracts for sale of land and transferrable development rights is recognised at a point in time when control is transferred to the customer and it is probable that consideration will be collected. This is usually deemed to be legal completion as this is the point at which

# Notes to Standalone Financial Statements

for the year ended 31 March 2020

the Company has an enforceable right to payment. Revenue from sale of land and transferrable development rights is measured at the transaction price specified in the contract with the customer.

## (iii) Contract balances

### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional.

### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

## (iv) Lease rental income

Lease income from operating leases shall be recognised in income on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Income from leasing of commercial complex is recognised on an accrual basis in accordance with lease agreements. Refer note 3 (r) for accounting policy on leases.

## h) Other income

Interest Income and share of profit in LLP is recognized when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and amount can be measured reliably.

## i) Financial instrument

### Financial assets

#### Classification

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

#### Initial recognition and measurement

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through the Statement of Profit and Loss (FVTPL), its transaction cost are recognized in the Statement of Profit and Loss. In other case, the transaction costs are attributed to the acquisition value of the financial asset.

#### Subsequent measurement and gains and losses

Financial assets are subsequently classified as measured at

- Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment is recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.
- Fair value through profit and loss (FVTPL): These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the Statement of Profit and Loss.
- Fair value through other comprehensive income (FVOCI): These assets are subsequently measured at fair value. Dividends are recognized as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in OCI and are not reclassified to the Statement of Profit and Loss.



# Notes to Standalone Financial Statements

for the year ended 31 March 2020

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

## Trade receivables and loans

Trade receivables and loans are initially recognized at fair value when they are originated. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

## Equity instrument

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value Changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

## Derecognition

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

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

## Impairment of financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognized in Statement of Profit and Loss.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

### Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through Statement of Profit and Loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

### Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet date if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle them on net basis or to realize the assets and settle the liabilities simultaneously.

# Notes to Standalone Financial Statements

for the year ended 31 March 2020

## j) Income taxes

Income tax comprises of current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in OCI.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available.

Minimum Alternate Tax (MAT) eligible for set off in subsequent years (as per tax laws), is recognized as an asset by way of credit to the restated standalone summary Statement of Profit and Loss only if there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the Company. At each balance sheet date, the carrying amount of deferred tax in relation to MAT credit entitlement receivable is reviewed to reassess realization.

## k) Inventories

Inventory comprises of land, work in progress of Residential project and land development rights.

Land and land development rights are valued at lower of cost or net realizable value. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing cost and other related overhead as the case may be. In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the immediate period, generally, the land is not registered in the name of the company.

### Project inventories

Inventories of project materials are valued at cost or net realizable value whichever is less. Cost is arrived at on weighted average method (WAM) basis.

### Work-in-progress

### Construction and development of real estate project:

Cost incurred for the contract that relate to future activity of the contract, such contract cost are recognized as an asset provided it is probable that they will be recovered. Such costs represent an amount due from the customer and are often classified as Contract work in progress which is valued at cost or net realizable value whichever is less.

## l) Provisions and contingencies

A provision is recognized if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for:

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

- i. possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- ii. 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.

### m) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

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

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### n) Investments in subsidiaries, joint venture and associates

The Company has elected to recognise its investments in subsidiary and associate and joint venture companies at cost in accordance with the option available in Ind AS 27, Separate Financial Statements.

### o) Leases

The company's lease arrangement primarily consist of lease for office building. The Company assesses whether a contract contains a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the company assesses whether: (i) the control involves the use of an identified assets (ii) the company has substantially all the economic benefits from use of the asset through the period of the lease and (iii) the company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases for with a term of 12 months or less (short term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on straightline basis over the term of the lease.

### p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### q) Earnings per share

Basic earnings per share is computed by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events such as bonus shares, other than conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

In a capitalization or bonus issue or share split, ordinary shares are issued to equity shareholders for no additional consideration. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

### r) Recent accounting pronouncement

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

# Notes to Standalone Financial Statements

for the year ended 31 March 2020

## Note 4

### Property, Plant & Equipment

(₹ in lakhs)

Particulars	Gross Block			Depreciation		Net Block		
	As at 1 April 2019	Additions	Deduction	As at 31 March 2020	As at 1 April 2019	For the Year	As at 31 March 2020	As at 1 April 2019
Computer Equipment	0.49	-	-	-	0.03	0.16	0.19	0.30
Office Equipments	23.38	-	4.96	18.42	2.50	4.50	6.96	11.46
Plant & Machinery	0.16	-	0.08	0.08	0.01	0.01	0.01	0.07
Vehicle	-	1.20	-	1.20	-	0.04	0.04	1.16
<b>Total</b>	<b>24.03</b>	<b>1.20</b>	<b>5.04</b>	<b>20.19</b>	<b>2.54</b>	<b>4.71</b>	<b>7.20</b>	<b>12.99</b>
								<b>21.49</b>

Particulars	Gross Block			Depreciation		Net Block		
	As at 1 April 2018	Additions	Deduction	As at 31 March 2019	As at 1 April 2018	As at 31 March 2019	As at 1 April 2018	As at 1 April 2018
Computer Equipment	-	0.49	-	0.49	-	0.03	0.03	0.46
Office Equipments	-	23.38	-	23.38	-	2.50	2.50	20.88
Plant & Machinery	-	0.16	-	0.16	-	0.01	0.01	0.15
<b>Total</b>	<b>-</b>	<b>24.03</b>	<b>-</b>	<b>24.03</b>	<b>-</b>	<b>2.54</b>	<b>2.54</b>	<b>21.49</b>

## Note 5

### Investments Properties

(₹ in lakhs)

Particulars	Gross Block			Depreciation		Net Block		
	As at 1 April 2019	Additions	Deduction	As at 31 March 2020	As at 1 April 2019	For the Year	As at 31 March 2020	As at 1 April 2019
Building & Office Premises	1,300.00	-	506.39	793.61	12.64	20.54	31.37	762.24
<b>Total</b>	<b>1,300.00</b>	<b>-</b>	<b>506.39</b>	<b>793.61</b>	<b>12.64</b>	<b>20.54</b>	<b>31.37</b>	<b>1,287.36</b>

Particulars	Gross Block			Depreciation		Net Block		
	As at 1 April 2018	Additions	Deduction	As at 31 March 2019	As at 1 April 2018	As at 31 March 2019	As at 1 April 2018	As at 1 April 2018
Building & Office Premises	-	1,300.00	-	1,300.00	-	12.64	12.64	1,287.36
<b>Total</b>	<b>-</b>	<b>1,300.00</b>	<b>-</b>	<b>1,300.00</b>	<b>-</b>	<b>12.64</b>	<b>12.64</b>	<b>1,287.36</b>

### Amount recognised in Statement of Profit and Loss from Investment Properties

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Profit from sale of Investment Properties	114.48	-
Less : Depreciation during the year	18.73	12.64
<b>Income/(Expense) from Investment Properties</b>	<b>95.75</b>	<b>(12.64)</b>

## Notes to the standalone financial statements

for the year ended 31 March 2020

### Note 6 Investment

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Investments in joint ventures (at cost)</b>		
Nila Projects LLP	2,262.75	2,480.86
Nilsan Realty LLP	-	168.34
	<b>2,262.75</b>	<b>2,649.20</b>
<b>Investments in associate (at cost)</b>		
2,33,750 (31 March 2019 : 2,33,750) equity shares of Mega City Cinemall Pvt. Ltd. of Rs. 10/- each	222.06	222.06
	<b>222.06</b>	<b>222.06</b>
<b>Total Investments in associate and joint venture</b>	<b>2,484.81</b>	<b>2,871.26</b>
<b>Investments in others (at cost)</b>		
Fangdi Land Developers LLP	205.10	205.10
Nilsan Realty LLP	-	-
Bagmar Nila Project (Udaipur) LLP	1.90	-
Bagmar Nila Project (Jodhpur) LLP	1.90	-
<b>Total Investments in others</b>	<b>208.90</b>	<b>205.10</b>
<b>Total</b>	<b>2,693.71</b>	<b>3,076.36</b>

### Note 7 Loans

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non-current loans</b>		
Security and other deposits	3.05	3.08
	<b>3.05</b>	<b>3.08</b>
<b>Current loans</b>		
Loans to Related Party (Refer note 27)		
-Unsecured, considered good	-	609.84
Loans to others		
- to others	1,079.11	1,513.43
	<b>1,079.11</b>	<b>2,123.27</b>
<b>Total</b>	<b>1,082.16</b>	<b>2,126.35</b>

Refer note 32 - Financial instruments, fair values and risk measurement

### Note 8 Other current assets

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Advance for Land Purchase*	2,122.37	1,551.84
Contract Assets	572.64	476.60
Prepaid expenses	1.63	2.00
Advance to Employees	4.88	5.65
Advance with Government Authorities		
- Goods and service tax receivable	80.29	87.62
<b>Total</b>	<b>2,781.81</b>	<b>2,123.71</b>

\* Advance for land through unsecured, are considered good as the advances have been given based on arrangement/Memorandum of understanding executed by the company and the company/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances.

### Note 9 Current tax assets (net)

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Advance payment of tax	126.28	42.34
Current tax liabilities	(39.10)	-
<b>Total</b>	<b>87.18</b>	<b>42.34</b>

### Note 10 Inventories

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Work in progress	1,700.22	1,805.33
Land and land development rights	5,526.39	10,634.07
<b>Total</b>	<b>7,226.61</b>	<b>12,439.40</b>

Refer note 3 (k) for accounting policy on inventories.

## Notes to the standalone financial statements

for the year ended 31 March 2020

### Note 11 Trade receivables

Particulars	₹ in lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Other than related parties</b>		
Unsecured, considered good	56.94	33.40
<b>Total</b>	<b>56.94</b>	<b>33.40</b>

Refer note 32 - Financial instruments, fair values and risk measurement

### Note 12 Cash and bank balances

Particulars	₹ in lakhs	
	As at 31 March 2020	As at 31 March 2019
Balance in current account	107.83	261.29
Cash on hand	1.15	1.56
<b>Total</b>	<b>108.98</b>	<b>262.85</b>

Refer note 32 - Financial instruments, fair values and risk measurement

### Note 13 Equity share capital

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(a) Authorised share capital</b>		
450,000,000 (31 March 2019 : 450000000 Equity shares of ₹ 1/- each fully paid)	<b>4,500.00</b>	<b>4,500.00</b>
<b>(b) Issued, Subscribed and Paid-up Capital</b>		
393,889,200 (31 March 2019 : 393889200) Equity shares of ₹ 1/- each fully paid)	<b>3,938.89</b>	<b>3,938.89</b>

### (c) Reconciliation of Share outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2020		As at 31 March 2019	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Outstanding as at the beginning of the year	393,889,200	3,938.89	393,889,200	3,938.89
Addition during the year	-	-	-	-
Outstanding as at the end of the year	<b>393,889,200</b>	<b>3,938.89</b>	<b>393,889,200</b>	<b>3,938.89</b>

### (d) Terms / rights attached to Equity shares

- The company has only one single class of equity shares referred to as equity share having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held.
- The Company declares and pay dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the Shareholder in the Annual General Meeting except in case of interim dividend.
- In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



# Notes to Standalone Financial Statements

for the year ended 31 March 2020

## (e) Details of shareholders holding more than 5% of Equity shares in the company

Name of Shareholders	As at 31 March 2020		As at 31 March 2019	
	Nos. of shares	% Holding	Nos. of shares	% Holding
Mr Manoj B Vadodaria	53,154,712	13.49%	53,154,712	13.49%
Mrs Nila M Vadodaria	43,955,267	11.16%	43,955,267	11.16%
Mr Kiran B Vadodaria	38,608,100	9.80%	38,608,100	9.80%
Mrs Alpa K Vadodaria	36,800,000	9.34%	36,800,000	9.34%
Mr Deep S Vadodaria	31,752,108	8.06%	31,752,108	8.06%

### Note 14 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Reserves &amp; Surplus</b>		
(i) Retained earnings	982.59	481.32
(ii) Equity security premium	5.80	5.80
(iii) Capital reserve	7,607.66	7,607.66
(iv) General reserve	7.90	7.90
<b>Total</b>	<b>8,603.95</b>	<b>8,102.68</b>

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(i) Retained earnings</b>		
Profit & loss opening balance	481.34	205.87
Profit during the year	502.93	278.10
<b>Items of other comprehensive income</b>		
Remeasurement of post-employment benefit obligation	(1.68)	(2.65)
<b>Total</b>	<b>982.59</b>	<b>481.32</b>
<b>(ii) Equity security premium</b>	<b>5.80</b>	<b>5.80</b>
<b>(iii) Capital reserve</b>	<b>7,607.66</b>	<b>7,607.66</b>
<b>(iv) General reserve</b>	<b>7.90</b>	<b>7.90</b>
<b>Total reserves and surplus</b>	<b>8,603.95</b>	<b>8,102.68</b>

### Nature and purpose of reserves

**General Reserve** - The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another

and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

**Equity Security Premium** - Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.

### Note 15 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non current borrowings</b>		
<b>Secured loans</b>		
<b>Indian rupee loan from</b>		
Financial institution	2,262.96	6,822.09
<b>Unsecured Loans</b>		
- Related party	-	818.32
<b>Total</b>	<b>2,262.96</b>	<b>7,640.41</b>

Note- The Company has taken LOC facility at the rate of 12.75% with Gruh Finance Limited. (Which was merged with Bandhan Bank Limited during January 2019).

### Borrowing from bank is secured by way of:

- Escrow of revenue of Anant Sky Project of Nila Spaces Limited
- Equitable Mortgage of Vejalpur Land owned by Company.
- Personal Guarantee of promoter family members

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

### Note 16

#### Other financial liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Other current financial liabilities</b>		
Current maturities of long term borrowings (Refer Note 15)	-	22.77
Employee related liabilities	2.41	3.18
	<b>2.41</b>	<b>25.95</b>
<b>Total</b>	<b>2.41</b>	<b>25.95</b>

### Note 17

#### Trade payables

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Dues to Micro & Small Enterprises (as per the intimation received from vendors)	-	-
A. Principal and interest amount remaining unpaid	-	-
B. Interest due thereon remaining unpaid	-	-
C. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to supplier beyond the appointed day	-	-
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
E. Interest accrued and remaining unpaid	-	-

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
F. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-
Dues to others - Trade payables*	265.57	107.11
<b>Total</b>	<b>265.57</b>	<b>107.11</b>

\* Includes retention money payable amounting to ₹147.38 lakhs as on 31 March 2020 as compared to ₹ 32.25 lakhs as on 31 March 2019

### Note 18

#### Other current liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Advance from customer (refer note no 34 (b))	-	1,562.76
Statutory dues payable	14.35	21.63
<b>Total</b>	<b>14.35</b>	<b>1,584.39</b>

### Note 19

#### Provisions

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non-current provisions</b>		
<b>(a) Provisions for employee benefits</b>		
Gratuity (refer note 28)	13.73	8.94
Leave encashment (refer note 28)	5.80	4.62
	<b>19.53</b>	<b>13.56</b>
<b>Current provisions</b>		
Gratuity (refer note 28)	0.18	0.13
Leave encashment (refer note 28)	0.15	0.14
	<b>0.33</b>	<b>0.27</b>

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

### Note 20

#### Revenue from operations

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(₹ in lakhs)</b>		
<b>A. Sales of Product</b>		
Development of Projects - with construction	4,814.60	761.33
Development of Projects - without construction	3,951.00	186.56
	<b>8,765.60</b>	<b>947.89</b>
<b>B. Other operating revenue</b>		
Share of profit/(loss) from LLP	(0.63)	16.53
	<b>(0.63)</b>	<b>16.53</b>
<b>Total</b>	<b>8,764.97</b>	<b>964.42</b>

### Note 21

#### Other income

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(₹ in lakhs)</b>		
Interest from others	506.77	739.87
Profit on Sale of Fixed Asset	109.14	-
Other non-operating income	(0.16)	-
<b>Total</b>	<b>615.75</b>	<b>739.87</b>

### Note 22

#### Cost of material consumed and project expenses

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(₹ in lakhs)</b>		
Consumption of Materials	4,997.61	85.30
Consumption of Land	578.88	256.53
Consumption of Flat	-	27.51
Repair and maintenance expense	0.06	0.55
Civil, electrical, contracting, labour work etc.	2,315.88	647.72
Electricity expenses	21.33	10.04
Insurance expenses	2.73	3.10
Gas Pipeline Expense	7.36	-
Commission & Brokerage	29.39	-
Discount Given	188.15	-
Stamp duty charges	-	39.39
Other direct expense	39.16	38.74

**(₹ in lakhs)**

Particulars	As at 31 March 2020	As at 31 March 2019
	<b>8,180.55</b>	<b>1,108.88</b>
Less: Transferred to WIP - project exp	(39.43)	(512.75)
<b>Total</b>	<b>8,141.12</b>	<b>596.13</b>

### Note 23 Employee benefits expense

**(₹ in lakhs)**

Particulars	As at 31 March 2020	As at 31 March 2019
Salaries, allowances and bonus	117.51	70.21
Contribution to provident and other fund	2.82	1.77
Remuneration and perquisites to directors	36.00	27.00
Staff welfare expenses	-	1.73
	<b>156.33</b>	<b>100.71</b>
Less: Transferred to WIP Salary	-	(53.27)
<b>Total</b>	<b>156.33</b>	<b>47.44</b>

### Note 24

#### Finance costs

**(₹ in lakhs)**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Interest on Borrowings</b>		
- To banks and financial institution	807.26	778.35
- To others	183.86	-
	<b>991.12</b>	<b>778.35</b>
Less:- Transferred to WIP - interest	(387.68)	(240.25)
	<b>603.44</b>	<b>538.10</b>
<b>Other Borrowing Costs</b>		
- Bank charges	0.08	-
- Processing fees	19.62	3.31
<b>Total</b>	<b>623.14</b>	<b>541.41</b>

During the year ended 31 March 2020, the company has inventorised borrowing cost of ₹ 387.68 lakhs as compared to ₹ 240.25 lakhs during the previous year ending at 31 March 2019.

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

### Note 25

#### Other expenses

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Legal and professional charges	28.84	73.16
Listing Expenses & Demerger Expenses	9.07	117.23
Office rent	0.85	-
Repairs and maintenance expenses	0.03	0.16
Insurance	0.03	-
Power and fuel expenses	2.34	0.14
Printing and stationery	0.44	0.98
Municipal tax	12.73	0.05
<i>Payment to auditors</i>		
- Audit fees (Refer Note 25.1)	2.13	1.05
Advertisement and business promotion expenses	288.81	40.39
Director's Sitting Fees	0.33	-
Miscellaneous expenses	2.98	3.04
GST Credit Reversal	23.54	
Telephone expense	0.87	0.18
	372.99	236.38
Less: Transferred to WIP - other exp	(169.87)	(30.82)
<b>Total</b>	<b>203.12</b>	<b>205.56</b>

### Note 25.1

#### Payment to Auditor

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Audit Fees</b>	<b>2.13</b>	<b>1.05</b>
Statutory Audit Fees	1.88	1.05
Tax Audit Fees	0.25	-

### Note 26 Earnings per share

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Profit attributable to equity share holders :</b>		
Basic earnings ( ₹ in lakhs )	502.93	278.10
Adjusted for the effect of dilution ( ₹ in lakhs )	502.93	278.10
<b>Weighted average number of equity shares for:</b>		
Basic (refer note 13)	39,38,89,200	39,38,89,200
Adjusted for the effect of dilution (refer note 13)	39,38,89,200	39,38,89,200
<b>Earning per share</b>		
Basic	0.13	0.07
Diluted	0.13	0.07

# Notes to Standalone Financial Statements

for the year ended 31 March 2020

## 27 Related party transactions

(A) Joint ventures :	Nila Projects LLP
(B) Associates :	Megacity Cinemall Pvt. Ltd.
(C) Enterprise in which Key Managerial Personnel and Directors have significant influence	Nila Infrastructures Limited Sambhaav Media Limited Romanovia Industrial Park Pvt Ltd
(D) Key Managerial Personnel	Anand B Patel - Managing Director Rajesh M Shah - Chief Financial Officer Gopi V Dave - Company Secretary

Disclosure of transactions between the Company and Related Parties (Other than Key - managerial personnel) during the year 2019-2020

Particulars	(₹ in lakhs)	
	Transaction Value	
	31 March 2020	31 March 2019
<b>A. Loans (Assets)</b>		
<b>(i) Loans given during the year</b>		
Nila Infrastructures Limited	522.00	3,510.77
Sambhaav Media Limited	75.00	255.00
Megacity Cinemall Pvt. Ltd.	15.00	-
<b>(ii) Interest Income received</b>		
Nila Infrastructures Limited	-	23.31
Sambhaav Media Limited	8.85	0.10
Nilsan realty LLP	-	31.59
Nila Projects LLP (loan)	-	5.17
Romanovia Industrial Park Pvt. Ltd.	-	61.05
<b>(iii) Re-payment of loans given during</b>		
Nila Infrastructures Limited	1,131.83	3,908.61
Sambhaav Media Limited	338.94	-
Megacity Cinemall Pvt. Ltd.	15.00	-
<b>B. Loans (Liability)</b>		
<b>(i) Loan taken during the year</b>		
Romanovia Industrial Park Pvt. Ltd.	400.00	1,506.10
Nila Infrastructures Limited	2,145.02	-
Nilsan Realty LLP- Loan	-	1,217.43
Nila Projects LLP-Loan	123.50	1,176.87
<b>(ii) Interest Expense</b>		
Romanovia Industrial Park Pvt. Ltd.	79.64	61.05
Nila Infrastructures Limited	104.19	-

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

Particulars	(₹ in lakhs)	
	Transaction Value	
	31 March 2020	31 March 2019
<b>(iii) Re-payment of loans given during</b>		
Romanovia Industrial Park Pvt. Ltd.	674.70	1,250.00
Nila Infrastructures Limited	2,249.21	-
Nilsan Realty LLP- Loan	166.13	1,415.15
Nila Projects LLP-Loan	580.62	2,128.51
<b>C. Investments</b>		
<b>(i) Investment withdrawn during the year</b>		
Nilsan Realty LLP	167.95	-
Nila Projects LLP	500.87	-
<b>(ii) Interest on Capital during the year</b>		
Nilsan Realty LLP	0.25	-
Nila Projects LLP	282.75	265.80
<b>(iii) Share of Profit/Loss during the year</b>		
Nilsan Realty LLP	(0.63)	16.53
<b>(iv) Consultancy Income</b>		
Nilsan realty LLP	-	157.50
<b>D. Other Contracts</b>		
<b>(i) Construction contract work*</b>		
Nila Infrastructures Limited	2,725.53	776.10
<b>(ii) Payment against contract work</b>		
Nila Infrastructures Limited	2,687.97	757.68
<b>(iii) Retention money on contract work</b>		
Nila Infrastructures Limited	115.27	32.10

\* Including Tax



## Notes to Standalone Financial Statements

for the year ended 31 March 2020

**Disclosure of the status of outstanding balances between the Company and Related Parties (Other than Key - managerial personnel) as at year end**

(₹ in lakhs)

Particulars	Outstanding Balance	
	31 March 2020	31 March 2019
<b>A. Loans (Assets)</b>		
Nila Infrastructures Limited	-	609.84
Sambhaav Media Limited	-	255.09
<b>B. Loans (Liability)</b>		
Nila Projects LLP	-	457.12
Nilsan Realty LLP	-	166.13
Romanovia Industrial Park Pvt Ltd	-	195.05
<b>C. Investments</b>		
Megacity Cinemall Pvt Ltd	222.06	222.06
Nila Projects LLP	2,262.75	2,480.86
<b>D. Contract Balance</b>		
Nila Infrastructures Limited-Contractor	56.09	18.42
Nila Infrastructures Limited-Retention Money	147.38	32.11

**Disclosure of transactions between the Company and Key - managerial personnel and the status of outstanding balances as at 31 March 2020**

(₹ in lakhs)

Particulars	Transaction Value	
	31 March 2020	31 March 2019
Remuneration		
- Directors	36.00	27.00
- Others	7.48	4.37
Director sitting fees	0.33	-

### Note 28 Employee benefits

#### A. Defined benefit plans:

##### Gratuity

The Company operates a defined benefit plan (the gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and tenure of employment. The liability in respect of gratuity being defined benefit schemes, payable in future, are determined by actuarial valuation as on balance sheet date.

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

In activity of valuation for gratuity following assumptions were used:

Particulars	31 March 2020	31 March 2019
Mortality rate	100%	100%
Withdrawal rate	1%	1%
Retirement age	58 Years	58 Years
Discount rate	6.69%	7.65%
Salary escalation	6.00%	6.00%

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's standalone financial statements as at 31 March 2020 & 31 March 2019 is set out as status of gratuity plan under Indian Accounting Standard 19 on "Employee benefit".

	(₹ in lakhs)	
Particulars	31 March 2020	31 March 2019
<b>Changes in present value of defined benefit obligation</b>		
Present value of defined benefit obligation as at the beginning of the year	9.08	-
Interest cost	0.69	-
Past service cost	-	8.00
Current service cost	1.81	1.08
Actuarial loss due to change in financial assumptions	1.71	(2.09)
Actuarial (gain) due to change in demographic assumptions	-	0.28
Actuarial loss/(gain) due to experience adjustments	0.62	5.53
Benefits paid	-	(3.72)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>-</b>	<b>9.08</b>
<b>Amount recognised in the balance sheet</b>		
Fair value of plan assets as at the end of the year	-	-
Present value of defined benefit obligation as at the end of the year	13.90	9.08
<b>Net obligation as at end of year</b>	<b>13.90</b>	<b>9.08</b>
<b>Non current</b>	<b>13.73</b>	<b>8.94</b>
<b>Current</b>	<b>0.18</b>	<b>0.14</b>
<b>Expenses recognised in the statement of profit and loss under the head Employee benefit expenses</b>		
Service cost	1.80	1.08
Past service cost	-	8.00
Interest cost	-	-
<b>Net expense recognised in employee benefit expenses</b>	<b>1.80</b>	<b>9.08</b>
<b>Expenses recognised in other comprehensive income for the year</b>		
Remeasurment due to:		
Actuarial loss on obligations - due to change in financial assumptions	1.70	(2.09)
Actuarial (gain) on obligations - due to change in demographic assumptions	-	0.28
Actuarial loss/(gain) on obligations - due to experience adjustments	0.62	5.54
<b>Net expense/(income) recognised in other comprehensive income</b>	<b>2.32</b>	<b>3.73</b>

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

### Sensitivity analysis

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Increase	Increase	Decrease	Decrease
Discount rate [ 1% movement )	12.13	7.95	16.04	10.42
Salary growth rate ( 1% movement )	16.10	10.47	12.06	7.90
Withdrawal rate ( 1% movement )	14.00	9.26	13.78	8.86

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

The obligations are measured at the present value of estimated future cashflows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation. The estimate of future Salary Increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

### Expected future cash flows:

The expected future cash flows in respect of gratuity at balance sheet date will be as follows:

Projected benefits payable in future years from the date of reporting	31 March 2020	31 March 2019
1 <sup>st</sup> following year	0.18	0.14
2 <sup>nd</sup> following year	0.20	0.15
3 <sup>rd</sup> following year	0.82	0.16
4 <sup>th</sup> following year	0.23	0.60
5 <sup>th</sup> following year	0.24	0.18
Sum of years 6 to 10	6.27	4.37

### B. Other long term employee benefits

#### Compensated absences

The accrual for unused leave is determined for the entire available leave balance standing to the credit of the employee at the year end. The value of such leave balances that are eligible for carry forward is determined by actuarial valuation as at the end of the year and actuarial gains and loss are charged to the statement of profit and loss. Amount of ₹ 5.95 lakhs (31 March 2019 : ₹ 4.75 lakhs) towards leave benefits is recognised as an expense and included in the Statement of Profit and Loss.

Actuarial assumptions	31 March 2020	31 March 2019
Discount rate	6.69%	7.65%
Salary growth rate	6.00%	6.00%
Withdrawal rates	1%	1%

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

### C. Defined contribution

#### Contribution to provident fund and employee state insurance contribution

Amount of ₹ 2.86 lakhs paid toward contribution to provident fund including administration charge and Employee State Insurance for the year ended 31 March 2020 as compare to ₹ 1.73 lakhs during the previous year ending 31 March 2019 which is recognised as an expense in Salary, Wages and bonus under employee benefit expense in the statement of Profit and Loss.

Particulars	31 March 2020	31 March 2019
<b>Tax (Credit) under Minimum Alternative Tax</b>		
MAT Credit Entitlement	(39.10)	-
<b>Deferred tax</b>		
Origination & reversal of temporary differences	(255.62)	1.08
<b>Tax Expense reported in statement of Profit &amp; Loss</b>	<b>(269.31)</b>	<b>20.47</b>

### Note 29 Tax expense

#### A. Income tax expense recognised in the Statement of Profit and Loss

Particulars	31 March 2020	31 March 2019
Current tax		
Current tax on profit for the year	39.10	57.50
Adjustments of tax for earlier years	(13.69)	(38.11)

#### B. Income tax expense / (income) recognised in other comprehensive income

Particulars	31 March 2020	31 March 2019
<b>Deferred tax :</b>		
Deferred tax (benefit) on remeasurements of defined benefit liability	0.65	1.08
<b>Tax Expense/(income) on 'OCI'</b>	<b>0.65</b>	<b>1.08</b>

### C. Reconciliation of effective tax rate

Particulars	31 March 2020	31 March 2019
<b>Profit before tax</b>	<b>233.62</b>	<b>298.57</b>
Tax using the Company's statutory tax rate at 16.69% (Previous year: 20.39%)	38.99	60.88
Effect of :		
Non deductible expenses	76.57	3.10
Adjustments of tax for earlier years	(13.69)	(38.11)
Income exempt from tax	(25.57)	(6.36)
Others	0.11	0.97
MAT Credit Available	(39.10)	-
DTA on loss as per Income tax of Current year	(307.26)	-
Tax Expense on OCI	0.65	-
<b>Tax expense</b>	<b>(269.31)</b>	<b>20.47</b>

### D. Deferred Tax Assets and Liabilities

Particular	Deferred Tax (Assets)		Deferred Tax (liability)		Net DTA/DTL	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Expenditure Allowed on Payment Basis	(6.02)	(4.83)	-	-	(6.02)	(4.83)
Provision for Stamp Duty	(6.50)	(9.06)	-	-	(6.50)	(9.06)
Demerger Expense	(12.41)	(19.49)	-	-	(12.41)	(19.49)
Provision for Loss allowance	(0.64)	(1.09)	-	-	(0.64)	(1.09)
Unabsorbed Losses	(307.26)	-	-	-	(307.26)	-

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

Particular	Deferred Tax (Assets)		Deferred Tax (liability)		Net DTA/DTL	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Less Depreciation under tax laws over book depreciation	-	-	73.07	34.47	73.07	34.47
EIR Expense	-	-	3.50	-	3.50	-
<b>Deferred Tax (Assets)/ Liabilities</b>	<b>(332.83)</b>	<b>(34.47)</b>	<b>76.57</b>	<b>34.47</b>	<b>(256.27)</b>	<b>-</b>
<b>MAT credit entitlement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39.10)</b>	<b>-</b>
<b>Net Deferred Tax (Assets)/ Liabilities</b>	<b>(332.83)</b>	<b>(34.47)</b>	<b>76.57</b>	<b>34.47</b>	<b>(295.37)</b>	<b>-</b>

### Note 30 Operating Segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chairman to make decisions about resources to be allocated to the segments and assess their performance. The Company's operations fall under single segment namely "Real Estate Business", taking into account the risks and returns, the organization structure and the internal reporting systems. Board of Directors are Chief Operating Decision Maker (CODM) of the Company. Further, there are no export sales and hence there is no reportable secondary segment. All assets are located in the company's country of domicile.

### Note 31 Contingent Liability

A. The Company is in the process of evaluating the impact of the Supreme Court ("SC") judgement dated 28 February 2019 in the case of Regional Provident Fund Commissioner ( I I ) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to non-inclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to

Provident Fund ("PF" under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. Based on legal advice received by the management, there are interpretation issues relating to the said SC judgement and review petitions are pending before the SC in this matter. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the standalone financial statements.

- B. The Department of Stamps Duty has issued a Show Cause Notice for levy of Stamp Duty. Further the company has obtained legal opinion from Rtd. Justice K.A Puj on 31 March 2019 and as per his opinion, Company has made provision of stamp duty amounting to ₹ 39.38 lakhs on 31 March 2019.
- C. Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Company is in the business of construction and development of project for sale the management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company will recognise the said impact in the financial statement in the year in which the said liabilities will accrue or arise

### Note 32 Financial Instruments - Fair Value And Risk Measurements

A. Accounting classification and fair values  
The carrying amounts and fair values of financial instruments by class are as follows:-

(₹ in lakhs)

As at 31 March 2020	Carrying amount				Fair value			
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial asset</b>								
Loan								
- Non-current	-	-	3.05	3.05	-	-	-	-
- Current	-	-	1,079.11	1,079.11	-	-	-	-
Investment *	-	-	2,693.71	2,693.71	-	-	-	-

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

As at 31 March 2020	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Trade receivables	-	-	56.94	56.94	-	-	-	-
Cash and cash equivalent	-	-	108.98	108.98	-	-	-	-
Other financial assets				-				
- Non-current	-	-	-	-	-	-	-	-
- Current	-	-	-	-	-	-	-	-
	-	-	<b>3,941.79</b>	<b>3,941.79</b>	-	-	-	-
<b>Financial liabilities</b>								
Borrowings								
- Non-current	-	-	2,262.96	2,262.96	-	-	-	-
- Current	-	-	-	-	-	-	-	-
Trade payable	-	-	265.57	265.57	-	-	-	-
Other financial liability								
- Non-current	-	-	-	-	-	-	-	-
- Current	-	-	2.41	2.41	-	-	-	-
	-	-	<b>2,530.94</b>	<b>2,530.94</b>	-	-	-	-
<b>As at 31 March 2019</b>								
	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
<b>Financial asset</b>								
Loan								
- Non-current	-	-	3.08	3.08	-	-	-	-
- Current	-	-	2,123.27	2,123.27	-	-	-	-
Investment *	-	-	3,076.36	3,076.36	-	-	-	-
Trade receivables	-	-	33.40	33.40	-	-	-	-
Cash and cash equivalent	-	-	262.85	262.85	-	-	-	-
Other bank balance	-	-	-	-	-	-	-	-
Other financial assets				-				
- Non-current	-	-	-	-	-	-	-	-
- Current	-	-	-	-	-	-	-	-
	-	-	<b>5,498.96</b>	<b>5,498.96</b>	-	-	-	-
<b>Financial liabilities</b>								
Borrowings								
- Non-current	-	-	7,640.41	7,640.41	-	-	-	-
- Current	-	-	-	-	-	-	-	-
Trade payable	-	-	107.11	107.11	-	-	-	-
Other financial liability								
- Non-current	-	-	-	-	-	-	-	-
- Current	-	-	25.95	25.95	-	-	-	-
	-	-	<b>7,773.47</b>	<b>7,773.47</b>	-	-	-	-

\* Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

### Fair value hierarchy

The fair value of financial instruments as referred above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I measurements) and lowest priority to unobservable inputs (Level III measurements).



# Notes to Standalone Financial Statements

for the year ended 31 March 2020

The categories used are as follows:-

**Input Level I (Directly Observable) :** which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges.

**Input Level II (Indirectly Observable) :** which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses, etc.

**Input Level III (Unobservable):** which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business, etc.

## B. Measurement of fair values

### i) Valuation techniques and significant unobservable inputs

The fair value of the investment in quoted investment in equity shares is based on the current bid price of investment at balance sheet date

### ii) Transfers between Levels I and II

There has been no transfer in between Level I and Level II

### iii) Level III fair values

There are no items in Level III fair values.

## C. Financial risk management

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors evaluate and exercise independent control over the entire process of risk management. The board also recommends risk management objectives and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and

controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### (i) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

### Other Financial Assets

This comprises mainly of deposits with banks and retention money receivables. Credit risk arising from deposits with banks is limited as the counterparties are banks . Banks have high credit ratings assigned by the credit rating agencies. Credit risk arising from retention money is included in trade receivables.

### Trade and other receivable

Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Credit limits are established for all customers based on flat booking terms. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed economically.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

provisions of Ind AS 109 -Financial instruments. The calculation is based provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. Proportion of expected credit loss provided for across the ageing buckets is summarised below:

### Impairment

As at the end of the reporting periods, the ageing of trade and other receivables that were not impaired was as follows:

### Age of receivables

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Not Due	-	-
0-3 Months	23.74	-
3-6 Months	-	-
6-12 Months	-	-
1-3 years	33.20	33.20
> 3 years	-	-

### Cash and bank balances

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre-determined interest rates

for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

### Other financial assets

Other financial assets includes loan to employees and related parties, security deposits, etc. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks. Banks have high credit ratings assigned by the international credit rating agencies.

### (ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In addition to the Company's own liquidity, it enjoys credit facilities with the reputed bank and financial institutions.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves periodic reviews of cash flow projections and considering the level of liquid assets necessary, monitoring balance sheet, liquidity ratios against internal and external regulatory requirements.

### Exposure to liquidity risk

31 March 2020	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Borrowings						
- Non-current	2,262.96	-	-	2262.96	-	-
- Current	-	-	-	-	-	-
Trade payable	265.57	-	265.57	-	-	-
Other financial liability						
- Non-current	-	-	-	-	-	-
- Current	2.41	-	2.41	-	-	-

# Notes to Standalone Financial Statements

for the year ended 31 March 2020

(₹ in lakhs)

31 March 2019	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Borrowings						
- Non-current	7,640.41	-		3,056.16	4,584.25	-
- Current	-	-	-	-	-	-
Trade payable	107.11	-	107.11	-	-	-
Other financial liability						
- Non-current	-	-	-	-	-	-
- Current	25.95		25.95			

## (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and debt. The company does not have any transactions in foreign currency. And accordingly, company does not have currency risk.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's liquidity and borrowing are managed by professional at senior management level. The interest rate exposure of the Company is reduced by matching the duration of investments and borrowings. The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Fixed-rate instrument</b>		
Financial asset	-	609.84
Financial liability	-	-
<b>Floating-rate instrument</b>		
Financial asset	-	-
Financial liability	2,262.96	6,848.17

### Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the

sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Increase on profit/ (loss) after tax
31 March 2020	
Increase in 100 basis point	(22.63)
Decrease in 100 basis point	22.63
31 March 2019	
Increase in 100 basis point	(68.48)
Decrease in 100 basis point	68.48

## Note 33 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'Debt' to 'Equity'. For this purpose, 'Debt' is meant to include long-term borrowings, short-term borrowings and current maturities of long-term borrowings. 'Equity' comprises all components of equity. The Company's debt to equity ratio as at the end of the reporting periods are as follows:

## Notes to Standalone Financial Statements

for the year ended 31 March 2020

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Total debt	2,262.96	7,663.18
Less : Cash and bank balances	108.98	262.85
<b>Adjusted net debt</b>	<b>2,153.98</b>	<b>7,400.33</b>
<b>Total equity</b>	<b>12,542.84</b>	<b>12,041.57</b>
<b>Debt to equity (net)</b>	<b>0.17</b>	<b>0.61</b>

### Note 34 Disclosure as per Ind AS 115

#### (a) Disaggregation of revenue from contracts with customers

Activity	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Revenue</b>		
Development of projects - with construction	4,814.60	761.33
Development of projects - without construction	3,951.00	186.56
<b>Total</b>	<b>8,765.60</b>	<b>947.89</b>

#### (b) Contract assets

The contract assets represents amount due from customers which primarily relate to the company's right to consideration for work executed but not billed at the reporting date. The contract asset are transferred to receivable when the rights become unconditional i.e. when invoice is raised on achievement of contractual milestones. This usually occurs when the company issues an invoice to the customer. The contract liabilities primarily represent advance received from customer for which invoice are

yet to be raised on customers pending achievement of milestone.

The following table provides information about trade receivables and contract assets:

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Contract Assets	572.64	476.60
Contract Liabilities	-	1,562.76

#### Changes in contract asset during the year are as follows:

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Balance as at 1 April	476.60	-
Unbilled revenue for the year	4,814.60	761.33
Contract Asset reclassified to trade receivables	4,718.56	284.53
<b>Balance as at 31 March</b>	<b>572.64</b>	<b>476.80</b>

#### Changes in contract liabilities during the year are as follows:

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Balance as at 1 April	1,562.76	-
Less: Amount adjusted against billings made during the year	11,047.26	-
Add: Advances received during the year	9,484.50	1,562.76
<b>Balance as at 31 March</b>	<b>-</b>	<b>1,562.76</b>

#### (c) Transaction price allocated to remaining performance obligations

The transaction price allocated to remaining performance obligations (unsatisfied or partially satisfied) is as follows:

Particulars	(₹ in lakhs)		
	Within One Year	More Than One Year	Total
Revenue from Construction and Development of Projects	5,957.42	-	5,957.42

# Notes to Standalone Financial Statements

for the year ended 31 March 2020

**Note 35 Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Regulations, 2015 and Section 18(4) of the Companies Act, 2013).**

Particulars	As at 31 March 2020	Maximum balance outstanding during 2019-20	As at 31 March 2019	Maximum balance outstanding during 2018-19
<b>Details of loans given:</b>				
Nila Projects LLP	-	-	-	302.73
Nilsan Realty LLP	-	-	-	539.97
Sambhaav Media Limited	-	255.09	255.09	255.09
Nila Infrastructures Limited	-	815.83	609.84	617.02
Megacity Cinemall Pvt. Ltd.	-	15.00	-	-

Details of investment made by the company are given in Note 6

All loans are given for the purposes of the business

## Note 36

Previous year figures have been regrouped/reclassified wherever necessary to confirm to current year presentation

### For Dhirubhai Shah & Co. LLP

Chartered Accountants

Firm's Registration No: 102511W/W100298

### Harish B Patel

Partner

Membership No.: 014427

Place : Ahmedabad

Date : 27 June 2020

### For and on behalf of the Board of Directors of

**Nila Spaces Limited**

CIN : L45100GJ2000PLC083204

### Jasvinder S Rana

Chairman

DIN : 01749361

### Rajesh M Shah

Chief Financial Officer

Place : Ahmedabad

Date : 27 June 2020

### Anand B Patel

Managing Director

DIN : 07272892

### Gopi V Dave

Company Secretary

Membership No.: A46865

### Deep S Vadodaria

Director

DIN : 01284293

# Independent Auditor's Report

To The Members Of Nila Spaces Limited

## I. Report on the Audit of the Consolidated Financial Statements

### 1. Opinion

- A We have audited the accompanying Consolidated Financial Statements of NILA SPACES LIMITED ('the Holding Company', together referred to as the 'Group'), its associate and its joint ventures, as listed in annexure I, which comprise the consolidated balance sheet as at 31 March 2020, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').
- B In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary, associate, and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at 31 March 2020, of its consolidated profit and

other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion

### 3. Key Audit Matters

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

The Key Audit matter	How our audit addressed the key audit matter
Assessing the carrying value of inventory	As part of our audit procedures,
As at 31 March 2020, the carrying value of the inventory of ongoing and completed real-estate projects is 7,226.61 Lakhs.	<ul style="list-style-type: none"> <li>We identified the assessment of the carrying value of inventory as a key audit matter due to the significance of the balance to the financial statements as a whole and the involvement of estimates and judgment in the assessment</li> </ul>
The inventories are held at the lower of the cost and net realisable value ("NRV").	<ul style="list-style-type: none"> <li>We evaluated the design and internal controls related to testing recoverable amounts with carrying amount of inventory and advances, including evaluating management processes for estimating future costs to complete projects.</li> </ul>
The determination of NRV involves estimates based on prevailing market conditions and taking into account the stage of completion of the inventory, the estimated future selling price, cost to complete projects and selling costs.	<ul style="list-style-type: none"> <li>As regards NRV compared costs incurred and estimates of future cost to complete the project with costs of similar projects and compared NRV to recent sales or to the estimated selling price.</li> </ul>



#### **4. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

- A. The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

- B. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **5. Management's Responsibility for the Consolidated Financial Statements**

- A. The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

- B. In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures is responsible for overseeing the financial reporting process of each company

#### **6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the Consolidated 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.

- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- iv) 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 Consolidated 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
- v) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited

by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

#### Other Matters

1. The Statement includes financial result of a joint ventures and an associate company which reflects group's share of net profit / (loss) after tax of Rs. (7.34) lakhs and total comprehensive income of Rs. (7.34) lakhs for the quarter ended and net profit / (loss) after tax of Rs. (20.28) lakhs and total

comprehensive income of Rs. (20.28) lakhs for the year ended 31 March 2020, as considered in the consolidated unaudited financial results, in respect of one associate and a joint ventures, based on their interim financial information, which are certified by the management. These financial statements are unaudited and have been certified by the management and our opinion on the statement, in so far it relates to the amount and disclosures in respect of joint venture and associate, is based on solely on such unaudited financial statements. According to the information and explanations given to us by the management, these financial informations are not material to the Group.

Our opinion on the consolidated financial results is not modified in respect to our reliance on the financial information certified by the management.

2. Attention is drawn to the fact that the figures for the corresponding year ended 31 March 2019 are based on the previously issued consolidated financial results that were audited by predecessor auditors who expressed an unmodified opinion vide their review report dated 25 May 2019.

## **II. Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - B. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the management.
  - C. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - D. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- E. On the basis of the written representations received from the directors of holding company as on 31 March 2020 taken on record by the Board of Directors of holding company and the reports of the statutory auditors of its subsidiary company, associate and joint ventures incorporated in India, none of the directors of the Group companies, its associate, and joint ventures incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act
- F. With respect to the adequacy of the internal financial controls with reference to financial statements of the holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, associate and joint ventures, as noted in the 'Other Matters' paragraph:
  - i. The group does not have any pending litigations as at 31 March 2020.
  - ii. The Group, its associate and joint ventures did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended 31 March 2020.
  - iii. There has been no delay in transferring amounts to the Investor Education and

Protection Fund by the Holding Company or its subsidiary companies, associate and joint ventures during the year ended 31 March 2020.

- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us

and based on the reports of the statutory auditors of such subsidiary companies, associate and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company, associate and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company, its associate and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants  
FRN: 102511W/W100298

**Harish B Patel**

Partner  
Membership Number:014427  
UDIN: 20014427AAABEV8094

Place : Ahmedabad  
Date: 27 June 2020

## Annexure - I

Sr. No.	Entity	Relationship
1	Nila Projects LLP	Joint Venture
2	Megacity Cinemall Pvt. Ltd.	Associate

## Annexure - A

To the Consolidated financial statements 31 March 2020.

Report on the internal financial controls with reference to the aforesaid Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph I(A)(t) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Nila Spaces Limited (hereinafter referred to as "the Holding Company") and one joint venture company to which requirements of the Act are applicable, as of that date.

In our opinion, the Holding Company and one joint venture company to which requirements of the Act are applicable, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in

accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the joint venture company, to which requirements of the Act are applicable, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated 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 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 Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 Consolidated

financial statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one joint venture company, to which requirements of the Act are applicable, is based on the corresponding reports of the auditors of such companies incorporated in India.

#### **For Dhirubhai Shah & Co. LLP**

Chartered Accountants  
FRN: 102511W/W100298

#### **Harish B Patel**

Partner  
Membership Number: 014427  
UDIN: 20014427AAABEV8094

Place : Ahmedabad  
Date: 27 June 2020



# Consolidated Balance Sheet

for the year ended 31 March 2020

(₹ in lakhs)			
Particulars	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment	4	12.99	21.49
(b) Investments Properties	5	762.24	1,287.36
(c) Financial Assets			
(i) Investments	6	2,214.52	2,900.23
(ii) Loans	7	3.05	3.08
(d) Other Tax Assets			
(i) Deferred Tax Asset	29D	295.37	-
<b>Total non current assets</b>		<b>3,288.17</b>	<b>4212.16</b>
<b>Current assets</b>			
(a) Inventories	10	7,226.61	12,439.40
(b) Financial assets			
(i) Trade receivables	11	56.94	33.40
(ii) Cash and cash equivalents	12	108.98	262.85
(iii) Loans	7	1,079.11	2,123.27
(c) Other current assets	8	2,781.81	2,123.72
(d) Other tax assets (net)			
(i) Current Tax Asset (net)	9	92.83	42.34
<b>Total current assets</b>		<b>11,346.28</b>	<b>17,024.98</b>
<b>Total assets</b>		<b>14,634.45</b>	<b>21,237.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	3,938.89	3,938.89
(b) Other equity	14	8,130.41	7,926.56
<b>Total equity</b>		<b>12,069.30</b>	<b>11,865.45</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	2,262.96	7,640.41
(b) Provisions	19	19.53	13.56
<b>Total non current liabilities</b>		<b>2,282.49</b>	<b>7,653.97</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	-	-
(ii) Trade payables			
(iia) Due to micro & small enterprises	17	-	-
(iib) Due to Others	17	265.57	107.11
(iii) Other financial liabilities	16	2.41	25.95
(b) Provisions	19	0.33	0.27
(c) Other current liabilities	18	14.35	1,584.39
<b>Total current liabilities</b>		<b>282.66</b>	<b>1,717.72</b>
<b>Total liabilities</b>		<b>2,565.15</b>	<b>9,371.69</b>
<b>Total equity and liabilities</b>		<b>14,634.45</b>	<b>21,237.14</b>

The accompanying notes 1 to 38 form an integral part of these consolidated financial statements.  
As per our report of even date attached

## For Dhirubhai Shah & Co. LLP

Chartered Accountants

Firm's Registration No: 102511W/W100298

## Harish B Patel

Partner

Membership No.: 014427

Place : Ahmedabad

Date : 27 June 2020

## For and on behalf of the Board of Directors of

Nila Spaces Limited

CIN : L45100GJ2000PLC083204

## Jasvinder S Rana

Chairman

DIN : 01749361

## Rajesh M Shah

Chief Financial Officer

Place : Ahmedabad

Date : 27 June 2020

## Anand B Patel

Managing Director

DIN : 07272892

## Gopi V Dave

Company Secretary

Membership No.: A46865

## Deep S Vadodaria

Director

DIN : 01284293

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

Particular	Note	(₹ in lakhs)	
		For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Income</b>			
Revenue from operations	20	8,764.97	947.89
Other income	21	332.99	739.87
<b>Total income</b>		<b>9,097.96</b>	<b>1,687.76</b>
<b>Expenses</b>			
Cost of material consumed and project expenses	22	8,738.10	1,183.95
Changes in inventories of construction material, land & work in progress		(596.98)	(587.81)
Employee benefits expense	23	156.33	47.44
Finance costs	24	623.14	541.41
Depreciation	4 & 5	23.39	15.18
Other expenses	25	203.12	205.56
<b>Total expenses</b>		<b>9,147.10</b>	<b>1,405.72</b>
<b>Profit before share of profit from joint venture, associates &amp; tax</b>		<b>(49.14)</b>	<b>282.04</b>
<b>Share of profit / (loss) from JV and Associates</b>		<b>(20.28)</b>	<b>27.36</b>
<b>Profit before tax</b>		<b>(69.42)</b>	<b>309.40</b>
<b>Tax Expense</b>			
Current Tax		33.45	57.51
MAT Credit Entitlements		(39.10)	-
Adj. of Earlier year		(13.69)	(38.12)
Deferred tax charge		(255.62)	1.08
<b>Tax Expense</b>	29	<b>(274.96)</b>	<b>20.47</b>
<b>Profit for the year</b>		<b>205.54</b>	<b>288.93</b>
<b>Other comprehensive income for the year</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurment of Post Employment Benefit Obligation		(2.33)	(3.73)
Income tax relating to these item		0.65	1.08
Other Comprehensive income for the year, net of tax		(1.68)	(2.65)
<b>Total Comprehensive Income for the Year</b>		<b>203.86</b>	<b>286.28</b>
<b>Earnings per equity share (Face value ₹ 1 per share)</b>			
Basic	26	<b>0.05</b>	<b>0.07</b>
Diluted	26	<b>0.05</b>	<b>0.07</b>

The accompanying notes 1 to 38 form an integral part of these consolidated financial statements.  
As per our report of even date attached

## For Dhirubhai Shah & Co. LLP

Chartered Accountants

Firm's Registration No: 102511W/W100298

## Harish B Patel

Partner

Membership No.: 014427

Place : Ahmedabad

Date : 27 June 2020

## For and on behalf of the Board of Directors of

Nila Spaces Limited

CIN : L45100GJ2000PLC083204

## Jasvinder S Rana

Chairman

DIN : 01749361

## Rajesh M Shah

Chief Financial Officer

Place : Ahmedabad

Date : 27 June 2020

## Anand B Patel

Managing Director

DIN : 07272892

## Gopi V Dave

Company Secretary

Membership No.: A46865

## Deep S Vadodaria

Director

DIN : 01284293

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

## A. Equity share capital

		(₹ in lakhs)
Particulars	Note	Amount
<b>Balance as at 1 April 2018</b>	<b>13</b>	<b>3,938.89</b>
Shares cancel during the year		-
Changes during the year		-
<b>Balance as at 31 March 2019</b>	<b>13</b>	<b>3,938.89</b>
Shares cancel during the year		-
Changes during the year		-
<b>Balance as at 31 March 2020</b>	<b>13</b>	<b>3,938.89</b>

## B. Other Equity

						(₹ in lakhs)
Particulars	Note	Reserves and Surplus				Total
		Retained earnings	Capital reserve	Securities premium account	General reserve	
<b>Balance as at 1 April 2018</b>	<b>14</b>	<b>79.03</b>	<b>7,547.55</b>	<b>5.80</b>	<b>7.90</b>	<b>7,640.28</b>
Profit for the year		288.93				288.93
<b>Items of other comprehensive income</b>						
Remeasurement of post-employment benefit obligation		(2.65)	-	-	-	(2.65)
<b>Balance as at 31 March 2019</b>	<b>14</b>	<b>365.31</b>	<b>7,547.55</b>	<b>5.80</b>	<b>7.90</b>	<b>7,926.56</b>
Profit for the year		205.54	-	-	-	205.54
<b>Items of other comprehensive income</b>						
Remeasurement of post-employment benefit obligation		(1.68)	-	-	-	(1.68)
<b>Balance as at 31 March 2020</b>	<b>14</b>	<b>569.17</b>	<b>7,547.55</b>	<b>5.80</b>	<b>7.90</b>	<b>8,130.42</b>

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

### For Dhirubhai Shah & Co. LLP

Chartered Accountants

Firm's Registration No: 102511W/W100298

### Harish B Patel

Partner

Membership No.: 014427

Place : Ahmedabad

Date : 27 June 2020

### For and on behalf of the Board of Directors of

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### Gopi V Dave

Company Secretary

Membership No.: A46865

### Deep S Vadodaria

Director

DIN : 01284293

## Consolidated Statement of Cash Flow

for the year ended 31 March 2020

Particulars	(₹ in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Cash flow from operating activities</b>		
Profit before tax	(69.42)	309.40
<b>Adjustments for:</b>		
Finance cost	623.14	541.41
Depreciation	23.39	15.18
Stamp duty provision	-	39.39
Loss on discard of fixed asset	5.34	-
Profit on sale of fixed asset	(114.48)	-
Interest income	(224.01)	(739.87)
Share of profit/loss from LLP	0.63	16.53
<b>Operating profit before working capital changes</b>	<b>244.59</b>	<b>182.04</b>
<b>Changes in working capital adjustments</b>		
Decrease in loans & advances (asset)	0.03	561.52
(Increase) in trade receivables	(23.54)	(470.64)
(Increase)/Decrease in other current assets	(658.10)	70.42
Decrease/(Increase) in inventories	5,212.79	(592.83)
Increase/(Decrease) in trade payables	158.46	(12.14)
(Decrease)/Increase in other financial liabilities	(23.54)	47.37
(Decrease)/Increase in other current liabilities	(1,570.04)	32.68
Increase in provisions	3.70	-
<b>Cash generated from operations</b>	<b>3344.35</b>	<b>(181.57)</b>
<b>Less: Income taxes paid (net)</b>	<b>(70.24)</b>	<b>(146.89)</b>
<b>Net cash flow from operating activities [A]</b>	<b>3,274.12</b>	<b>(328.46)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(1.49)	(1,324.03)
Additional Investment during the year	(3.80)	-
Sale of Fixed Asset	620.87	-
Sale of Investment Properties	689.49	-
Share of profit/Loss from LLP	(0.63)	(16.53)
Repayment Loans given to related parties (net)	(818.32)	732.65
Interest income	224.01	446.7
Proceeds of Loan (Asset) from Related Party	609.84	(609.84)
Proceeds of Loan (Asset) from Others	434.32	-
<b>Net cash flow (used in) investing activities [B]</b>	<b>1,754.29</b>	<b>(771.05)</b>
<b>Cash flow from financing activities</b>		
Proceeds from / (repayment) of long term borrowings (net)	(4,559.13)	2,069.17
Proceeds from loans from others	-	818.32
Proceeds from / (repayment) of loans from others	-	(984.37)
Finance costs paid	(623.14)	(541.41)
<b>Net cash flow (used in) financing activities [C]</b>	<b>(5,182.27)</b>	<b>1,361.71</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(153.87)</b>	<b>262.20</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>262.85</b>	<b>0.65</b>
<b>Cash and cash equivalents at end of the year (see note 2)</b>	<b>108.98</b>	<b>262.85</b>

Notes:

- 1 The above statement of Cash Flows has been prepared under "Indirect method" as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".
- 2 Reconciliation of cash and cash equivalents as per the Consolidated Statement of Cash Flows.

Cash and cash equivalents as per above comprise of the following:

Particulars	(₹ in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash on hand	1.15	1.56
Balance with banks	107.83	261.29
	<b>108.98</b>	<b>262.85</b>

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants  
Firm's Registration No: 102511W/W100298

**Harish B Patel**

Partner  
Membership No.: 014427

**Place :** Ahmedabad

**Date :** 27 June 2020

**For and on behalf of the Board of Directors of**

**Nila Spaces Limited**

CIN : L45100GJ2000PLC083204

**Jasvinder S Rana**

Chairman  
DIN : 01749361

**Rajesh M Shah**

Chief Financial Officer

**Place :** Ahmedabad

**Date :** 27 June 2020

**Anand B Patel**

Managing Director  
DIN : 07272892

**Gopi V Dave**

Company Secretary  
Membership No.: A46865

**Deep S Vadodaria**

Director  
DIN : 01284293

# Notes to the consolidated financial statements

for the year ended 31 March 2020

## 1. Group overview

Nila Spaces Limited is a Company based in Ahmedabad, Gujarat with its Registered Office situated at 1<sup>st</sup> Floor, Sambhav House, Opp. Chief Justice Bungalow, Bodakdev, Ahmedabad - 380015. Nila Spaces Limited is a public company incorporated on 03 May 2000 and listed on BSE (Bombay Stock Exchange of India Limited) and NSE (National Stock Exchange of India Limited). The Company is involved in real estate development. The Company, together with its subsidiaries, joint ventures and associate, collectively referred to as ('the Group') is involved in projects for sale. These consolidated financial statements comprise the financial statements of the Company, its subsidiary, joint ventures and the associate.

## 2. Basis of preparation and measurement

### 2.1 Statement of compliance

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

The consolidated financial statements for the year ended 31 March 2020 have been reviewed by audit committee and subsequently approved by Board of Directors at its meetings held on 27 June 2020

Details of the Group's significant accounting policies are included in note 3.

### 2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees , which is also the Group's functional currency. All the amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

### 2.3 Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit plans	Fair value of plan assets less present value of defined benefit obligation using key actuarial assumptions

## 2.4 Use of estimates and judgements

In preparing this consolidated financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

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

Note 3(h) – Evaluation of percentage completion for the purpose of revenue recognition

Note 3 (e) - Identification of the building as an investment property

Note 3 (c) – Useful life used for the purpose of depreciation on property, plant and equipment and investment properties and amortization of intangible assets

Note 3 (j), (f) – Impairment of financial and non-financial assets

Note 3 (g) – Recognition and measurement of defined benefit obligations, key actuarial assumptions

Note 3 (j) – Fair value measurement of financial instruments

Note 3 (k) – Current / deferred tax expense and recognition and evaluation of recoverability of deferred tax assets

Note 3 (m) – Provisions and contingencies

## 2.5 Measurement of fair values

The Company's accounting policies and disclosures requires the measurement of fair values for financial instruments.

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

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included



# Notes to the consolidated financial statements

for the year ended 31 March 2020

in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entity in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 - Investment property

Note 31 – Financial instruments

## 3 Significant Accounting Policies

### (a) Operating cycle

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 Schedule III of the Companies Act, 2013. Operating cycle for project related assets and liabilities is the time start of the project to their realization in cash or cash equivalents. Operating cycle for all other assets and liabilities has been considered as twelve months.

### (b) Basis of consolidation

#### ii) Joint ventures and associate

The Group's interest in equity accounted investees comprises interest in joint ventures and associate.

An associate is an entity in which the Group has significant influence but not control or joint control. A joint venture is an arrangement in which the Group has joint

control and has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures and associates are accounted for using the equity method. They are initially recognized at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit and loss and other comprehensive income of equity accounted investees until the date on which the significant influence or joint control ceases.

When the Group's share of losses in any equity accounted investments equals or exceeds its interest in an entity; the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of other entity.

#### iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

When the Group's share of loss in equity-accounted investment equals or excess its interest in the entity, including any other unsecured long term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Groups interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of assets transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions,

## Notes to the consolidated financial statements

for the year ended 31 March 2020

are eliminated in full while preparing these consolidated financial statements. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Deferred tax asset or liability is created on any temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

These Consolidated Financial Statements have been prepared in accordance with the above principles. These comprise of the company and the following entities –

Name of the Company	Country of Incorporation	Effective % of holding as at 31 March 2020	Effective % of holding as at 31 March 2019
Nila Projects LLP	India	99.97%	99.97%
Megacity Cinemall Pvt. Ltd.	India	42.50%	42.50%

### c) Property, plant and equipment

#### Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

### Subsequent measurement

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

### Depreciation

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as other non-current assets.

### Derecognition

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

### d) Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

### Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits associated with the expenditure will flow to the Group. All other expenditure is recognized in the Statement of Profit and Loss as incurred.

### Amortisation

Intangible assets are amortized on a straight - line basis (pro-rata from the date of additions) over estimated useful life of four years.

# Notes to the consolidated financial statements

for the year ended 31 March 2020

## Derecognition

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

## e) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

### Recognition and measurement

Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

### Depreciation

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of investment properties equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### Fair value disclosure

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Any gain or loss on disposal of an investment property is recognized in Statement of Profit and Loss.

## f) Impairment of non-financial assets

Non-financial assets of the Group, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such

indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

## g) Employee benefits

### Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted expenses and are expensed as the related services are provided. A liability is recognized for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards government administered schemes. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the services are rendered by the employees.

# Notes to the consolidated financial statements

for the year ended 31 March 2020

## Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic

benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefits is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial

valuation using the projected unit credit method. Remeasurements gains or losses are recognized in the Statement of Profit and Loss in the period in which they arise.

## Share-based payments

Employees of the Group receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognized as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer on the basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

Cancellation of Share based payment is accounted as an acceleration of vesting, and therefore recognize immediately the amount that otherwise would have been recognized for services received over the remainder vesting period. The amount that would have been recognized is based on an estimate on the date of cancellation – i.e. estimating how many instruments are expected to vest at the original vesting date.

## h) Revenue recognition:

### (i) Recognition of Revenue from Real Estate Development:

Revenue is recognised on satisfactory performance obligations in a contract with customers, allocation of transaction price to the performance obligations and recognition of revenue as the performance obligations are satisfied either at a point in time or over a period of time. While recognizing revenue, the cost of land has been allocated in proportion to the percentage of work completed. If the outcome of a construction contract can be estimated reliably, contract revenue is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognized only to the

# Notes to the consolidated financial statements

for the year ended 31 March 2020

extent of contract costs incurred that are likely to be recoverable. Contract costs are recognized as expenses as incurred unless they create an asset is related to future contract activity. An expected loss on a contract is recognized immediately in the Statement of Profit and Loss.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if

## (ii) Land and transferrable development rights

Revenue from contracts for sale of land and transferrable development rights is recognised at a point in time when control is transferred to the customer and it is probable that consideration will be collected. This is usually deemed to be legal completion as this is the point at which the Company has an enforceable right to payment. Revenue from sale of land and transferrable development rights is measured at the transaction price specified in the contract with the customer.

## (iii) Contract balances Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional.

### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are

recognised as revenue when the Group performs under the contract.

## (iv) Lease rental income

Lease income from operating leases shall be recognised in income on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Income from leasing of commercial complex is recognised on an accrual basis in accordance with lease agreements. Refer note 3 (q) for accounting policy on leases.

## i) Other income

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

Dividend income and share of profit in LLP is recognized when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Group and amount can be measured reliably.

## j) Financial instrument

### Financial assets Classification

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

### Initial recognition and measurement

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through the Statement of Profit and Loss (FVTPL), its transaction cost are recognized in the Statement of Profit and Loss. In other case, the transaction



# Notes to the consolidated financial statements

for the year ended 31 March 2020

costs are attributed to the acquisition value of the financial asset.

## Subsequent measurement and gains and losses

### Financial assets are subsequently classified as measured at

- Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment is recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.
- Fair value through profit and loss (FVTPL): These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the Statement of Profit and Loss.
- Fair value through other comprehensive income (FVOCI): These assets are subsequently measured at fair value. Dividends are recognized as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in OCI and are not reclassified to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

### Trade receivables and loans

Trade receivables and loans are initially recognized at fair value when they are originated. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

### Equity instrument

All investments in equity instruments classified under financial assets are initially measured

at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

### Derecognition

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

- The right to receive cash flows from the asset have expired; or
- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### Impairment of financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognized in Statement of Profit and Loss.



# Notes to the consolidated financial statements

for the year ended 31 March 2020

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

### Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through Statement of Profit and Loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

### Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet date if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle them on net basis or to realize the assets and settle the liabilities simultaneously.

## k) Income taxes

Income tax comprises of current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in OCI.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available.

Minimum Alternate Tax (MAT) eligible for set off in subsequent years (as per tax laws), is recognized as an asset by way of credit to the restated standalone summary Statement of Profit and Loss only if there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the Group. At each balance sheet date, the carrying amount of deferred tax in relation to MAT credit entitlement receivable is reviewed to reassure realization.

## l) Inventories

Inventory comprises of land and transferable development rights. Land and transferable development rights are valued at lower of cost or net realizable value. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing cost and other related overhead as the case may be. In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the immediate period, generally, the land is not registered in the name of the Group.

### Project inventories

Inventories of project materials are valued at

# Notes to the consolidated financial statements

for the year ended 31 March 2020

cost or net realizable value whichever is less. Cost is arrived at on weighted average method (WAM) basis.

## Work-in-progress

### Construction and development of Infrastructure project:

Cost incurred for the contract that relate to future activity of the contract, such contract cost are recognized as an asset provided it is probable that they will be recovered. Such costs represent an amount due from the customer and are often classified as Contract work in progress which is valued at cost or net realizable value whichever is less.

### m) Provisions and contingencies

A provision is recognized if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed in the Notes to the Consolidated Financial Statements. Contingent liabilities are disclosed for:

- possible obligations which will be confirmed only by future events not wholly within the control of the Group, 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.

### n) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

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

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### o) Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid, which are subject to insignificant risk of changes in value.

### p) Investments in subsidiaries, joint venture and associates

The group has elected to recognise its investments in subsidiary and associate and joint venture companies at cost in accordance with the option available in IND AS 27 Separate Financial Statements

### q) Leases

The company's lease arrangement primarily consist of lease for office building. The Company assesses whether a contract contains a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the company assesses whether: (i) the control involves the use of an identified assets (ii) the company has substantially all the economic benefits from use of the asset through the period of the lease and (iii) the company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases for with a term of 12 months or less (short term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operatin

## Notes to the consolidated financial statements

for the year ended 31 March 2020

expense on straightline basis over the term of the lease.

### **r) Earnings per share**

Basic earnings per share is computed by dividing the net profit for the year attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events such as bonus shares, other than conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

In a capitalization or bonus issue or share split, ordinary shares are issued to equity shareholders for no additional consideration. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

### **s) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### **t) Recent accounting pronouncement**

notifies new standards and amendments to the existing standards. There is no such notification which would have been applicable from April 2020.

# Notes to the consolidated financial statements

for the year ended 31 March 2020

## Note 4

### Property, Plant & Equipment

Particulars	Gross Block			Depreciation			Net Block		
	As at 1 April 2019	Additions	Deduction	As at 31 March 2020	As at 1 April 2019	For the Year	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
Computer Equipment	0.49	-	-	0.49	0.03	0.16	0.19	0.30	0.46
Office Equipments	23.38	-	4.96	18.42	2.50	4.50	6.96	11.46	20.88
Plant & Machinery	0.16	-	0.08	0.08	0.01	0.01	0.01	0.07	0.15
Vehicle	-	1.20	-	1.20	-	0.04	0.04	1.16	-
<b>Total</b>	<b>24.03</b>	<b>1.20</b>	<b>5.04</b>	<b>20.19</b>	<b>2.54</b>	<b>4.71</b>	<b>7.20</b>	<b>12.99</b>	<b>21.49</b>

  

Particulars	Gross Block			Depreciation			Net Block		
	As at 1 April 2018	Additions	Deduction	As at 31 March 2019	As at 1 April 2018	Additions	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018
Computer Equipment	-	0.49	-	0.49	-	0.03	0.03	0.46	-
Office Equipments	-	23.38	-	23.38	-	2.50	2.50	20.88	-
Plant & Machinery	-	0.16	-	0.16	-	0.01	0.01	0.15	-
<b>Total</b>	<b>-</b>	<b>24.03</b>	<b>-</b>	<b>24.03</b>	<b>-</b>	<b>2.54</b>	<b>2.54</b>	<b>21.49</b>	<b>-</b>

## Note 5

### Investments Properties

Particulars	Gross Block			Depreciation			Net Block		
	As at 1 April 2019	Additions	Deduction	As at 31 March 2020	As at 1 April 2019	For the Year	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
Building & Office Premises	1,300.00	-	506.39	793.61	12.64	20.54	31.37	762.24	1,287.36
<b>Total</b>	<b>1,300.00</b>	<b>-</b>	<b>506.39</b>	<b>793.61</b>	<b>12.64</b>	<b>20.54</b>	<b>31.37</b>	<b>762.24</b>	<b>1,287.36</b>

  

Particulars	Gross Block			Depreciation			Net Block		
	As at 1 April 2018	Additions	Deduction	As at 31 March 2019	As at 1 April 2018	Additions	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018
Building & Office Premises	-	1,300.00	-	1,300.00	-	12.64	12.64	1,287.36	-
<b>Total</b>	<b>-</b>	<b>1,300.00</b>	<b>-</b>	<b>1,300.00</b>	<b>-</b>	<b>12.64</b>	<b>12.64</b>	<b>1,287.36</b>	<b>-</b>

### Amount recognised in Statement of Profit and Loss from Investment Properties

Particulars	As at 31 March 2020		As at 31 March 2019	
Profit from sale of Investment Properties	114.48		18.73	12.64
Less : Depreciation during the year			95.75	(12.64)
<b>Income/(Expense) from Investment Properties</b>				

# Notes to the consolidated financial statements

for the year ended 31 March 2020

## Note 6 Investment

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Investments in joint ventures (at cost)</b>		
Nila Projects LLP	1,976.48	2,472.13
	<b>1,976.48</b>	<b>2,472.13</b>
<b>Investments in joint ventures and associate (at cost)</b>		
2,33,750 (31 March 2019 : 2,33,750) equity shares of Mega City Cinemall Pvt. Ltd. of ₹ 10/- each	29.78	55.28
	<b>29.78</b>	<b>55.28</b>
<b>Total Investments in associate and joint venture</b>	<b>2,006.26</b>	<b>2,527.41</b>
<b>Investments in others (at cost)</b>		
Fangdi Land Developers LLP	204.46	204.48
Nilsan Realty LLP	-	168.34
Bagmar Nila Project (Udaipur) LLP	1.90	-
Bagmar Nila Project (Jodhpur) LLP	1.90	-
<b>Total Investments in others</b>	<b>208.26</b>	<b>372.82</b>
<b>Total</b>	<b>2,214.52</b>	<b>2,900.23</b>

## Note 7 Loans

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non-current loans</b>		
Security and other deposits	3.05	3.08
	3.05	3.08
<b>Current loans</b>		
- Unsecured, considered good	-	609.84
<b>Loans to others</b>		
- to others	1,079.11	1,513.43
	<b>1,079.11</b>	<b>2,123.27</b>
<b>Total</b>	<b>1,082.16</b>	<b>2,126.35</b>

Refer note 32 - Financial instruments, fair values and risk measurement

## Note 8 Other current assets

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Advance for Land Purchase*	2,122.37	1,551.84
Contract assets	572.64	476.60
Prepaid expenses	1.63	2.00
Advance to Employees	4.88	5.65
Advance with Government Authorities		
- Goods and service tax receivable	80.29	87.62
<b>Total</b>	<b>2,781.81</b>	<b>2,123.72</b>

\* Advance for land through unsecured, are considered good as the advances have been given based on arrangement/Memorandum of understanding executed by the company and the company/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances.

## Note 9 Current tax assets (net)

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Advance payment of tax	126.28	42.34
Less: Current tax liabilities	(33.45)	-
<b>Total</b>	<b>92.83</b>	<b>42.34</b>

## Note 10 Inventories

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Work in progress	1,700.22	1,805.34
Land and land development rights	5,526.39	10,634.06
<b>Total</b>	<b>7,226.61</b>	<b>12,439.40</b>

Refer note 3 (l) for accounting policy on inventories.

## Notes to the consolidated financial statements

for the year ended 31 March 2020

### Note 11

#### Trade receivables

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Other than related parties - trade receivables</b>		
Unsecured, considered good	56.94	33.40
<b>Total</b>	<b>56.94</b>	<b>33.40</b>

Refer note 32 - Financial instruments, fair values and risk measurement

### Note 12

#### Cash and Cash Equivalents

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Balance in current account	107.83	261.29
Cash on hand	1.15	1.56
<b>Total</b>	<b>108.98</b>	<b>262.85</b>

Refer note 32 - Financial instruments, fair values and risk measurement

### Note 13

#### Equity share capital

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>(a) Authorised share capital</b>		
450,000,000 (31 March 2019 : 450000000 Equity shares of ₹.1/- each fully paid)	4,500.00	4,500.00
<b>(b) Issued, Subscribed and Paid-up Capital</b>		
393,889,200 (31 March 2019 : 393889200) Equity shares of ₹1/- each fully paid)	3,938.89	3,938.89

#### (c) Reconciliation of Share outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2020		As at 31 March 2019	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Outstanding as at the beginning of the year	39,38,89,200	3,938.89	39,38,89,200	3,938.89
Addition during the year	-	-	-	-
Outstanding as at the end of the year	39,38,89,200	3,938.89	39,38,89,200	3,938.89

#### (d) Terms / rights attached to Equity shares

- The company has only one single class of equity shares referred to as equity share having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held.
- The Company declares and pay dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the Shareholder in the Annual General Meeting except in case of interim dividend.
- In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



## Notes to the consolidated financial statements

for the year ended 31 March 2020

### Note 14 Other equity

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Reserves &amp; Surplus</b>		
(i) Retained earnings	569.16	365.31
(ii) Equity security premium	5.80	5.80
(iii) Capital reserve	7,547.55	7,547.55
(iv) General reserve	7.90	7.90
<b>Total</b>	<b>8,130.41</b>	<b>7,926.56</b>
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>(i) Retained earnings</b>		
Profit & loss opening balance	365.30	79.03
Profit during the year	205.54	288.93
	<b>570.84</b>	<b>367.96</b>
<b>Items of other comprehensive income</b>		
Remeasurement of post-employment benefit obligation (net of tax)	(1.68)	(2.65)
<b>Total Retained Earning</b>	<b>569.16</b>	<b>365.31</b>
<b>(ii) Equity security premium</b>	<b>5.80</b>	<b>5.80</b>
<b>(iii) Capital reserve</b>	<b>7,547.55</b>	<b>7,547.55</b>
<b>(iv) General reserve</b>	<b>7.90</b>	<b>7.90</b>
<b>Total reserves and surplus</b>	<b>8,130.41</b>	<b>7,926.56</b>

#### Nature and purpose of reserves

**General Reserve** - The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

**Equity Security Premium** - Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.

### Note 15 Borrowings

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non current borrowings</b>		
<b>Secured loans</b>		
<b>Indian rupee loan from</b>		
Financial institution	2,262.96	6,822.09
<b>Unsecured Loans</b>		
- Related party	-	818.32
<b>Total</b>	<b>2,262.96</b>	<b>7,640.41</b>

Note- The Company has taken LOC facility at the rate of 12.75% with Gruh Finance Limited. (Which was merged with Bandhan Bank Limited during January 2019).

#### Borrowing from Financial institution is secured by way of:

- Escrow of revenue of Anant Sky Project of Nila Spaces Limited
- Equitable Mortgage of Vejalpur Land owned by Company.
- Personal Guarantee of promoter family members

### Note 16 Other financial liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Other current financial liabilities</b>		
Current maturities of long term borrowings (Refer note no. 15)	-	22.77
Employee related liabilities	2.41	3.18
<b>Total</b>	<b>2.41</b>	<b>25.95</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2020

### Note 17

#### Trade payables

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Dues to Micro & Small Enterprises (as per the intimation received from vendors)		
A. Principal and interest amount remaining unpaid	-	-
B. Interest due thereon remaining unpaid	-	-
C. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-
Dues to others - Trade payables*	265.57	107.11
<b>Total</b>	<b>265.57</b>	<b>107.11</b>

\* Includes retention money payable amounting to ₹ 147.38 lakhs as on 31 March 2020 as compared to ₹ 32.25 lakhs as on 31 March 2019

### Note 18

#### Other current liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Advance from customer	-	1,562.76
Statutory dues payable	14.35	21.63
<b>Total</b>	<b>14.35</b>	<b>1,584.39</b>

### Note 19

#### Provisions

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Non-current provisions</b>		
<b>(a) Provisions for employee benefits</b>		
Gratuity (refer note 33)	13.73	8.94
Leave encashment (refer note 33)	5.80	4.62
	<b>19.53</b>	<b>13.56</b>
<b>Current provisions</b>		
<b>(a) Provisions for employee benefits</b>		
Gratuity (refer note 33)	0.18	0.13
Leave encashment (refer note 33)	0.15	0.14
	<b>0.33</b>	<b>0.27</b>

### Note 20

#### Revenue from operations

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>A. Sales of Products</b>		
Development of Projects - with construction	4,814.60	761.33
Development of Projects - without construction	3,951.00	186.56
	<b>8,765.60</b>	<b>947.89</b>
<b>B. Other operating revenue</b>		
Share of profit/loss from LLP	(0.63)	-
<b>Total</b>	<b>8,764.97</b>	<b>947.89</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2020

### Note 21 Other income

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Interest from others	224.01	739.87
Profit on Sale of Fixed Asset	109.14	-
Other non-operating income	(0.16)	-
<b>Total</b>	<b>332.99</b>	<b>739.87</b>

### Note 22 Cost of material consumed and project expenses

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Consumption of Materials	4,997.61	85.30
Consumption of Land	578.88	256.53
Consumption of Flat	-	27.51
Repair and maintenance expense	0.06	0.55
Civil, electrical, contracting, labour work etc.	2,315.88	647.72
Electricity expenses	21.33	10.04
Insurance expenses	2.73	3.10
Gas Pipeline Expense	7.36	
Commission & Brokerage	29.39	
Discount Given	188.15	
Stamp duty charges	-	39.39
Other direct expense	39.16	38.74
	8,180.55	1,108.89
Less: Transferred to WIP - project exp	(39.43)	(512.75)
<b>Total</b>	<b>8,141.12</b>	<b>596.14</b>

### Note 23 Employee benefits expense

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Salaries, allowances and bonus	117.51	70.21
Contribution to provident and other fund	2.82	1.77
Remuneration and perquisites to directors	36.00	27.00
Staff welfare expenses	-	1.73
	156.33	100.72
Less: Transferred to WIP Salary	-	(53.28)
<b>Total</b>	<b>156.33</b>	<b>47.44</b>

### Note 24 Finance costs

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Interest on Borrowings</b>		
- To banks and financial institution	807.26	778.35
- To others	183.86	-
	<b>991.12</b>	<b>778.35</b>
Less:- Transferred to WIP - interest	(387.68)	(240.25)
	<b>603.44</b>	<b>538.10</b>
<b>Other Borrowing Costs</b>		
- Bank charges	0.08	-
- Processing fees	19.62	3.31
<b>Total</b>	<b>623.14</b>	<b>541.41</b>

During the year ended 31 March 2020, the company has inventorised borrowing cost of ₹ 387.68 lakhs as compared to ₹ 240.25 lakhs during the previous year ending at 31 March 2019.

## Notes to the consolidated financial statements

for the year ended 31 March 2020

### Note 25

#### Other expenses

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Legal and professional charges	28.84	73.16
Listing Expenses & Demerger Expenses	9.07	117.23
Office rent	0.85	-
Repairs and maintenance expenses	0.03	0.16
Insurance	0.03	-
Power and fuel expenses	2.34	0.14
Printing and stationery	0.44	0.98
Municipal tax	12.73	0.05
<i>Payment to auditors</i>		
- Audit fees (Refer note 25.1)	2.13	1.05
Advertisement and business promotion expenses	288.81	40.39
Director's Sitting Fees	0.33	-
GST Credit Reversal	23.54	
Miscellaneous expenses	2.98	3.04
Telephone expense	0.87	0.19
Less: Transferred to WIP - other exp	(169.87)	(30.82)
<b>Total</b>	<b>203.12</b>	<b>205.56</b>

### Note 25.1

#### Payment to Auditor

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Audit Fees</b>	<b>2.13</b>	<b>1.05</b>
Statutory Audit Fees	1.88	1.05
Tax Audit Fees	0.25	-

### Note 26

#### Earnings per share

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Profit attributable to equity share holders :</b>		
Basic earnings (₹ in lakhs )	205.54	288.93
Adjusted for the effect of dilution (₹ in lakhs )	205.54	288.93
<b>Weighted average number of equity shares for:</b>		
Basic (Refer note no 13)	39,38,89,200	39,38,89,200
Adjusted for the effect of dilution (Refer note no 13)	39,38,89,200	39,38,89,200
<b>Earning per share</b>		
Basic	0.05	0.07
Diluted	0.05	0.07

# Notes to the consolidated financial statements

for the year ended 31 March 2020

## Note 27

### Related party transactions

(A) Joint ventures :	Nila Projects LLP Nilsan Realty LLP
(B) Associates:	Megacity Cinemall Pvt. Ltd.
(C) Enterprise in which Key Managerial Personnel and Directors have significant influence	Nila Infrastructures Limited Sambhaav Media Limited Romanovia Industrial Park Pvt. Ltd.
(D) Key Managerial Personnel	Anand B Patel - Managing Director Rajesh M Shah - Chief Financial Officer Gopi V Dave - Company Secretary

### Disclosure of transactions between the Company and Related Parties (Other than Key - managerial personnel) during the year 31 March 2020.

Particulars	(₹ in lakhs)	
	Transaction Value 31 March 2020	31 March 2019
<b>A. Loans (Assets)</b>		
<b>(i) Loans given during the year</b>		
Nila Infrastructures Limited	522.00	3,510.77
Sambhaav Media Limited	75.00	255.00
Megacity Cinemall Pvt. Ltd.	15.00	-
<b>(ii) Interest Income received</b>		
Nila Infrastructures Limited	-	23.31
Sambhaav Media Limited	8.85	0.10
Nilsan realty LLP	-	31.59
Nila Projects LLP (loan)	-	5.17
Romanovia Industrial Park Pvt. Ltd.	-	61.05
<b>(iii) Re-payment of loans given during</b>		
Nila Infrastructures Limited	1,131.83	3,908.61
Sambhaav Media Limited	338.94	-
Megacity Cinemall Pvt. Ltd.	15.00	-
<b>B. Loans (Liability)</b>		
<b>(i) Loan taken during the year</b>		
Romanovia Industrial Park Pvt. Ltd.	400.00	1,506.10
Nila Infrastructures Limited	2,145.02	-
Nilsan Realty LLP- Loan	-	1,217.43
Nila Projects LLP-Loan	123.50	1,176.87
<b>(ii) Interest Expense</b>		
Romanovia Industrial Park Pvt. Ltd.	79.64	61.05
Nila Infrastructures Limited	104.19	-
<b>(iii) Re-payment of loans given during</b>		
Romanovia Industrial Park Pvt. Ltd.	674.70	1,250.00
Nila Infrastructures Limited	2,249.21	-
Nilsan Realty LLP- Loan	166.13	1,415.15

## Notes to the consolidated financial statements

for the year ended 31 March 2020

Particulars	(₹ in lakhs)	
	Transaction Value	
	31 March 2020	31 March 2019
Nila Projects LLP-Loan	580.62	2,128.51
<b>C. Investments</b>		
<b>(i) Investment withdrawn during the year</b>		
Nilsan Realty LLP	167.95	-
Nila Projects LLP	500.87	-
<b>(ii) Interest on Capital during the year</b>		
Nilsan Realty LLP	0.25	-
Nila Projects LLP	282.75	265.80
<b>(iii) Share of Profit/Loss during the year</b>		
Nilsan Realty LLP	(0.63)	16.53
Nila Projects LLP	5.22	(6.29)
MegaCity Cinemall Pvt. Ltd.	(25.50)	(20.34)
<b>(iv) Consultancy Income</b>		
Nilsan realty LLP	-	157.50
<b>D. Other Contracts</b>		
<b>(i) Construction contract work*</b>		
Nila Infrastructures Limited	2,725.53	776.10
<b>(ii) Payment against contract work</b>		
Nila Infrastructures Limited	2,687.97	757.68
<b>(iii) Retention money on contract work</b>		
Nila Infrastructures Limited	115.27	32.10

\* Including Taxes

**Disclosure of the status of outstanding balances between the Company and Related Parties (Other than Key - managerial personnel) as at year end**

Particulars	(₹ in lakhs)	
	Outstanding Balance	
	31 March 2020	31 March 2019
<b>A. Loans (Assets)</b>		
Nila Infrastructures Limited	-	609.84
Sambhaav Media Limited	-	255.09
<b>B. Loans (Liability)</b>		
Nila Projects LLP	-	457.12
Nilsan Realty LLP	-	166.13
Romanovia Industrial Park Pvt Ltd	-	195.05
<b>C. Investments</b>		
Megacity Cinemall Pvt Ltd	222.06	222.06
Nila Projects LLP	2,262.75	2,480.86
<b>D. Contract Balance</b>		
Nila Infrastructures Limited-Contractor	56.09	18.42
Nila Infrastructures Limited-Retention Money	147.38	32.11



## Notes to the consolidated financial statements

for the year ended 31 March 2020

### Disclosure of transactions between the Company and Key - managerial personnel and the status of outstanding balances as at 31 March 2019

(₹ in lakhs)

Particulars	Transaction Value	
	31 March 2020	31 March 2019
Remuneration		
- Directors	36.00	27.00
- Others	7.48	4.37
Director sitting fees	0.33	-

#### Note 28

#### Employee benefits

##### A. Defined benefit plans:

##### Gratuity

The Company operates a defined benefit plan (the gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and tenure of employment. The liability in respect of gratuity being defined benefit schemes, payable in future, are determined by actuarial valuation as on balance sheet date.

In activity of valuation for gratuity following assumptions were used:

Particulars	31 March 2020	31 March 2019
Mortality rate	100%	100%
Withdrawal rate	1%	1%
Retirement age	58 Years	58 Years
Discount rate	6.69%	7.65%
Salary escalation	6.00%	6.00%

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's standalone financial statements as at 31 March 2020 & 31 March 2019 is set out as status of gratuity plan under Indian Accounting Standard 19 on "Employee benefit".

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
<b>Changes in present value of defined benefit obligation</b>		
Present value of defined benefit obligation as at the beginning of the year	9.08	-
Interest cost	0.69	-
Past service cost	-	8.00
Current service cost	1.81	1.08
Actuarial loss due to change in financial assumptions	1.71	(2.09)
Actuarial (gain) due to change in demographic assumptions	-	0.28
Actuarial loss/(gain) due to experience adjustments	0.62	5.53
Benefits paid		(3.72)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>13.90</b>	<b>9.08</b>
<b>Amount recognised in the balance sheet</b>		
Fair value of plan assets as at the end of the year	-	-
Present value of defined benefit obligation as at the end of the year	13.90	9.08

## Notes to the consolidated financial statements

for the year ended 31 March 2020

Particulars	31 March 2020	31 March 2019
<b>Net obligation as at end of year</b>	<b>13.90</b>	<b>9.08</b>
<b>Non current</b>	<b>13.73</b>	<b>8.94</b>
<b>Current</b>	<b>0.18</b>	<b>0.14</b>
<b>Expenses recognised in the statement of profit and loss under the head Employee benefit expenses</b>		
Service cost	1.80	1.08
Past service cost	-	8.00
Interest cost	-	-
<b>Net expense recognised in employee benefit expenses</b>	<b>1.80</b>	<b>9.08</b>
<b>Expenses recognised in other comprehensive income for the year</b>		
Remeasurment due to:		
Actuarial loss on obligations - due to change in financial assumptions	1.70	(2.09)
Actuarial (gain) on obligations - due to change in demographic assumptions	-	0.28
Actuarial loss/(gain) on obligations - due to experience adjustments	0.62	5.54
<b>Net expense/(income) recognised in other comprehensive income</b>	<b>2.32</b>	<b>3.73</b>

### Sensitivity analysis

Particulars	(₹ in lakhs)			
	31 March 2020 Increase	31 March 2019 Increase	31 March 2020 Decrease	31 March 2019 Decrease
Discount rate [ 1% movement )	12.13	7.95	16.04	10.42
Salary growth rate ( 1% movement )	16.10	10.47	12.06	7.90
Withdrawal rate ( 1% movement )	14.00	9.26	13.78	8.86

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

The obligations are measured at the present value of estimated future cashflows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation. The estimate of future Salary Increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

### Expected future cash flows:

The expected future cash flows in respect of gratuity at balance sheet date will be as follows:

Projected benefits payable in future years from the date of reporting	31 March 2020	31 March 2019
1st following year	0.18	0.14
2nd following year	0.20	0.11
3rd following year	0.82	0.16
4th following year	0.23	0.60
5th following year	0.24	0.18
Sum of years 6 to 10	6.27	4.37

## Notes to the consolidated financial statements

for the year ended 31 March 2020

### B. Other long term employee benefits

#### Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employee at the year end. The value of such leave balances that are eligible for carry forward is determined by actuarial valuation as at the end of the year and actuarial gains and loss are charged to the statement of profit and loss. Amount of ₹ 5.95 lakhs (31 March 2019 : Rs 4.75 lakhs) towards leave benefits is recognised as an expense and included in the Statement of Profit and Loss.

Actuarial assumptions	31 March 2020	31 March 2019
Discount rate	6.69%	7.65%
Salary growth rate	6.00%	6.00%
Withdrawal rates	1%	1%

### C. Defined contribution

Contribution to provident fund and employee state insurance contribution

Amount of ₹ 2.86 lakhs paid toward contribution to provident fund including administration charge and Employee State Insurance for the year ended 31 March 2020 as compared to ₹ 1.73 lakhs during the previous year ending 31 March 2019 which is recognised as an expense in Salary, Wages and bonus under employee benefit expense in the statement of Profit and Loss.

#### Note 29

#### Tax expense

##### A. Income tax expense recognised in the Statement of Profit and Loss

Particulars	31 March 2020	31 March 2019
	(₹ in lakhs)	
<b>Current tax</b>		
Current tax on profit for the year	33.45	57.50
Adjustments of tax for earlier years	(13.69)	(38.11)
<b>Tax (Credit) under Minimum Alternative Tax</b>		
MAT Credit Entitlement	(39.10)	-
<b>Deferred tax</b>		
Origination & reversal of temporary differences	(255.62)	1.08
<b>Tax Expense reported in statement of Profit &amp; Loss</b>	<b>(274.96)</b>	<b>20.47</b>

##### B. Income tax expense / (income) recognised in other comprehensive income

Particulars	31 March 2020	31 March 2019
	(₹ in lakhs)	
<b>Deferred tax :</b>		
Deferred tax (benefit) on remeasurements of defined benefit liability	0.65	1.08
<b>Tax Expense/(income) on 'OCI'</b>	<b>0.65</b>	<b>1.08</b>

##### C. Reconciliation of effective tax rate

Particulars	31 March 2020	31 March 2019
	(₹ in lakhs)	
<b>Profit before tax</b>	<b>233.62</b>	<b>298.57</b>
Tax using the Company's statutory tax rate at 16.69% (Previous Year : 20.39%)	38.99	60.88
Effect of :		
Non deductible expenses	76.57	3.10
Adjustments of tax for earlier years	(13.69)	(38.11)
Income exempt from tax	(25.57)	(6.36)
Others	0.12	0.97
MAT Credit Available	(39.10)	-
DTA on loss as per Income tax of Current year	(307.26)	-
Tax Expense on OCI	0.65	-
Tax Expense of Other Subsidiaries and Joint Venture	(5.65)	-
<b>Tax expense</b>	<b>(274.96)</b>	<b>20.47</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2020

### D. Deferred Tax Assets and Liabilities

(₹ in lakhs)

Particular	Deferred Tax (Assets)		Deferred Tax (liability)		Net DTA/DTL	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Expenditure Allowed on Payment Basis	(6.02)	(4.83)	-	-	(6.02)	(4.83)
Provision for Stamp Duty	(6.50)	(9.06)	-	-	(6.50)	(9.06)
Demerger Expense	(12.41)	(19.49)	-	-	(12.41)	(19.49)
Provision for Loss allowance	(0.64)	(1.09)	-	-	(0.64)	(1.09)
Unabsorbed Losses	(307.26)	-	-	-	(307.26)	-
Less Depreciation under tax laws over book depreciation	-	-	73.07	34.47	73.07	34.47
EIR Expense	-	-	3.50	-	3.50	-
<b>Deferred tax (Assets)/ Liabilities</b>	<b>(332.83)</b>	<b>(34.47)</b>	<b>76.57</b>	<b>34.47</b>	<b>(256.27)</b>	<b>-</b>
<b>MAT credit entitlement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39.10)</b>	<b>-</b>
<b>Net Deferred tax (Assets)/ Liabilities</b>	<b>(332.83)</b>	<b>(34.47)</b>	<b>76.57</b>	<b>34.47</b>	<b>(295.37)</b>	<b>-</b>

#### Note 30 Operating Segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chairman to make decisions about resources to be allocated to the segments and assess their performance. The Company's operations fall under single segment namely "Real Estate Business", taking into account the risks and returns, the organization structure and the internal reporting systems. Board of Directors are Chief Operating Decision Maker (CODM) of the Company. Further, there are no export sales and hence there is no reportable secondary segment. All assets are located in the company's country of domicile.

#### Note 31 Contingent Liability

- The Company is in the process of evaluating the impact of the Supreme Court ("SC") judgement dated 28 February 2019 in the case of Regional Provident Fund Commissioner ( I I ) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to non-inclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF" under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. Based on legal advice received by the management, there are interpretation issues relating to the said SC judgement and review petitions are pending before the SC in this matter. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the standalone financial statements.
- The Department of Stamps Duty has issued a Show Cause Notice for levy of Stamp Duty. Further the company has obtained legal opinion from Rtd. Justice K.A Puj on 03.10.2018 and as per his opinion, Company has made provision of stamp duty amounting to ₹ 39.38 lakhs on 31 March 2019.
- Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Company is in the business of construction and development of project for sale the management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company will recognise the said impact in the financial statement in the year in which the said liabilities will accrue or arise

# Notes to the consolidated financial statements

for the year ended 31 March 2020

## Note 32

### Financial Instruments - Fair Value And Risk Measurements

#### A. Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:-

As at 31 March 2020					(₹ in lakhs)			
	Carrying amount				Fair value			
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial asset</b>								
Loan								
- Non-current	-	-	3.05	3.05	-	-	-	-
- Current	-	-	1,079.11	1,079.11	-	-	-	-
Investment*	-	-	2,214.52	2,214.52	-	-	-	-
Trade receivables	-	-	56.94	56.94	-	-	-	-
Cash and cash equivalent	-	-	108.98	108.98	-	-	-	-
Other financial assets				-				
- Non-current	-	-	-	-	-	-	-	-
- Current	-	-	-	-	-	-	-	-
	-	-	3,462.60	3,462.60	-	-	-	-
<b>Financial liabilities</b>								
Borrowings								
- Non-current	-	-	2,262.96	2,262.96	-	-	-	-
- Current	-	-	-	-	-	-	-	-
Trade payable	-	-	265.57	265.57	-	-	-	-
Other financial liability								
- Non-current	-	-	-	-	-	-	-	-
- Current	-	-	2.41	2.41	-	-	-	-

As at 31 March 2020					(₹ in lakhs)			
	Carrying amount				Fair value			
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
	-	-	2,530.94	2,530.94	-	-	-	-

As at 31 March 2019					(₹ in lakhs)			
	Carrying amount				Fair value			
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial asset</b>								
Loan								
- Non-current	-	-	3.08	3.08	-	-	-	-
- Current	-	-	2,123.27	2,123.27	-	-	-	-
Investment*	-	-	2,900.23	2,900.23	-	-	-	-
Trade receivables	-	-	33.40	33.40	-	-	-	-
Cash and cash equivalent	-	-	262.85	262.85	-	-	-	-
Other bank balance	-	-	-	-	-	-	-	-
Other financial assets				-				

# Notes to the consolidated financial statements

for the year ended 31 March 2020

As at 31 March 2019	Carrying amount				Fair value		
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
- Non-current	-	-	-	-	-	-	-
- Current	-	-	-	-	-	-	-
	-	-	5,322.83	5,322.83	-	-	-
<b>Financial liabilities</b>							
Borrowings							
- Non-current	-	-	7,640.41	7,640.41	-	-	-
- Current	-	-	-	-	-	-	-
Trade payable	-	-	74.86	74.86	-	-	-
Other financial liability							
- Non-current	-	-	32.25	32.25	-	-	-
- Current	-	-	25.95	25.95	-	-	-
	-	-	7,773.47	7,773.47	-	-	-

\* Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

## Fair value hierarchy

The fair value of financial instruments as referred above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I measurements) and lowest priority to unobservable inputs (Level III measurements).

The categories used are as follows:-

### iii) Level III fair values

There are no items in Level III fair values.

**Input Level I (Directly Observable) :** which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges.

**Input Level II (Indirectly Observable) :** which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses, etc.

**Input Level III (Unobservable):** which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business, etc.

## B. Measurement of fair values

### i) Valuation techniques and significant unobservable inputs

The fair value of the investment in quoted investment in equity shares is based on the current bid price of investment at balance sheet date

### ii) Transfers between Levels I and II

There has been no transfer in between Level I and Level II

## C. Financial risk management

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and Market risk

### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors evaluate and exercise independent control over the entire process of risk management. The board also recommends risk management objectives and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and



## Notes to the consolidated financial statements

for the year ended 31 March 2020

the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### (i) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

#### Other Financial Assets

This comprises mainly of deposits with banks and retention money receivables. Credit risk arising from deposits with banks is limited as the counterparties are banks. Banks have high credit ratings assigned by the credit rating agencies. Credit risk arising from retention money is included in trade receivables.

#### Trade and other receivable

Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Credit limits are established for all customers based on flat booking terms. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed economically.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the

provisions of Ind AS 109 -Financial instruments. The calculation is based provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. Proportion of expected credit loss provided for across the ageing buckets is summarised below:

#### Impairment

As at the end of the reporting periods, the ageing of trade and other receivables that were not impaired was as follows:

Age of receivables	(₹ in lakhs)	
Particulars	As at 31 March 2020	As at 31 March 2019
Not Due	-	-
0-3 Months	23.74	-
3-6 Months	-	-
6-12 Months	-	-
1-3 years	33.20	33.40
> 3 years	-	-

#### Cash and bank balances

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre-determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

#### Other financial assets

Other financial assets includes loan to employees and related parties, security deposits, etc. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks. Banks have high credit ratings assigned by the international credit rating agencies.

### (ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has

## Notes to the consolidated financial statements

for the year ended 31 March 2020

ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In addition to the Company's own liquidity, it enjoys credit facilities with the reputed bank and financial institutions.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves periodic reviews of cash flow projections and considering the level of liquid assets necessary, monitoring balance sheet, liquidity ratios against internal and external regulatory requirements.

### Exposure to liquidity risk

		(₹ in lakhs)				
31 March 2020	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Borrowings</b>						
- Non-current	2,262.96	-	-	2262.96	-	-
- Current	-	-	-	-	-	-
Trade payable	265.57	-	265.57	-	-	-
Other financial liability						
- Non-current	-	-	-	-	-	-
- Current	-	-	-	-	-	-

		(₹ in lakhs)				
31 March 2019	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Borrowings</b>						
- Non-current	7,640.41	-	-	3,056.16	4,584.24	-
- Current	-	-	-	-	-	-
Trade payable	74.86	-	74.86	-	-	-
Other financial liability						
- Non-current	32.25	-	-	32.25	-	-
- Current	25.95	-	25.95	-	-	-

### (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and debt. The company does not have any transactions in foreign currency. And accordingly, company does not have currency risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's liquidity and borrowing are managed by professional at senior management

level. The interest rate exposure of the Company is reduced by matching the duration of investments and borrowings. The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

		(₹ in lakhs)	
Particulars	As at 31 March 2020	As at 31 March 2019	
<b>Fixed-rate instrument</b>			
Financial asset	-	609.84	
Financial liability	-	-	
<b>Floating-rate instrument</b>			
Financial asset	-	-	
Financial liability	2,262.96	6,827.58	

# Notes to the consolidated financial statements

for the year ended 31 March 2020

## Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Increase on profit/(loss) after tax
<b>31 March 2020</b>	
Increase in 100 basis point	(22.63)
Decrease in 100 basis point	22.63
<b>31 March 2019</b>	
Increase in 100 basis point	(68.48)
Decrease in 100 basis point	68.48

## Note-33

### Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'Debt' to 'Equity'. For this purpose, 'Debt' is meant to include long-term borrowings, short-term borrowings and current maturities of long-term borrowings. 'Equity' comprises all components of equity. The Company's debt to equity ratio as at the end of the reporting periods are as follows:

	(₹ in lakhs)	
Particulars	As at 31 March 2020	As at 31 March 2019
Total debt	2,262.96	6,827.58
Less : Cash and bank balances	108.98	262.85
<b>Adjusted net debt</b>	<b>2,153.98</b>	<b>6,564.73</b>
<b>Total equity</b>	<b>12,069.30</b>	<b>11,865.45</b>
<b>Debt to equity (net)</b>	<b>0.18</b>	<b>0.55</b>

## Note 34

### Disclosure as per Ind AS 115

#### (a) Disaggregation of revenue from contracts with customers

Activity	As at 31 March 2020	As at 31 March 2019
Revenue		
Development of projects - with construction	4,814.60	761.33
Development of projects - without construction	3,951.00	186.56
<b>Total</b>	<b>8,765.60</b>	<b>947.89</b>

#### (b) Contract assets

The contract assets represents amount due from customers which primarily relate to the company's right to consideration for work executed but not billed at the reporting date. The contract asset are transferred to receivable when the rights become unconditional i.e. when invoice is raised on achievement of contractual milestones. This usually occurs when the company issues an invoice to the customer. The contract liabilities primarily represent advance received from customer for which invoice are yet to be raised on customers pending achievement of milestone.

The following table provides information about trade receivables and contract assets:

Particulars	As at 31 March 2020	As at 31 March 2019
Contract Assets	572.64	476.60
Contract Liabilities	-	1,562.76

#### Changes in contract asset during the year are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at 1 April	476.60	-
Unbilled revenue for the year	4,814.60	761.33
Contract Asset reclassified to trade receivables	4,718.56	284.53
<b>Balance as at 31 March</b>	<b>572.64</b>	<b>476.80</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2020

**Changes in contract liabilities during the year are as follows:**

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Balance as at 1 April	1,562.76	-
Less: Amount adjusted against billings made during the year	74.86	-
Add: Advances received during the year	9,484.50	1,562.76
<b>Balance as at 31 March</b>	<b>10,972.40</b>	<b>1,562.76</b>

**(c) Transaction price allocated to remaining performance obligations**

The transaction price allocated to remaining performance obligations (unsatisfied or partially satisfied) is as follows:

Particulars	(₹ in lakhs)		
	Within One Year	More Than One Year	Total
Revenue from Construction and Development of Projects	5,957.52	-	5,957.52

### Note 35

**Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Regulations, 2015 and Section 18(4) of the Companies Act, 2013).**

Particulars	(₹ in lakhs)			
	As at 31 March 2020	Maximum balance outstanding during 2019-20	As at 31 March 2019	Maximum balance outstanding during 2018-19
<b>Details of loans given:</b>				
Nila Projects LLP	-	-	-	302.73
Nilsan Realty LLP	-	-	-	539.97
Sambhaav Media Limited	-	255.09	255.09	255.09
Nila Infrastructures Limited	-	815.83	609.84	617.02
Megacity Cinemall Pvt. Ltd.	-	15.00	-	-

Details of investment made by the company are given in Note 6  
All loans are given for the purposes of the business

### Note 36

#### Interest in other entities

##### Interest in associate & joint ventures

Below is the list of associate and joint ventures as at 31 March 2019. Their Share capital comprises solely of equity shares and/or as partners capital held by the group and proportion of ownership interest held equals the voting rights held by the group

Name of entity	% of ownership interest	Relationship	Method of Accounting	(₹ in lakhs)			
				Quoted Fair value		Carrying Amount	
				31 March 2020	31 March 2019	31 March 2020	31 March 2019
Nila Projects LLP	99.97%	Joint Venture	Equity method	-	-	2,461.73	2,472.13
Megacity Cinemall Pvt. Ltd.	42.50%	Associate	Equity method	-	-	41.26	66.76

# Notes to the consolidated financial statements

for the year ended 31 March 2020

## (a) Summarised financial statements of Joint ventures

The table below shows summarised financial statements for both joint ventures which are material to the group.  
(₹ in lakhs)

Summarised balance sheet	Nila Projects LLP		Megacity Cinemall Pvt. Ltd.	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Particulars				
Total Non-current assets	2,246.39	2,550.25	1169.05	1,193.39
Current assets other than Cash and Cash Equivalent	-	-	2.70	3.75
Cash and Bank Balance	0.37	0.47	12.87	8.40
<b>Total Assets</b>	<b>2,246.76</b>	<b>2,550.72</b>	<b>1,184.62</b>	<b>1,205.54</b>
Non-current financial liabilities	-	75.00	-	-
Current financial liabilities (excluding trade payable and provisions)	0.15	0.69	1677.21	1,651.30
Current liabilities other than current financial liabilities (including trade payables and provisions)	-	-	23.50	10.32
<b>Total Liabilities</b>	<b>0.15</b>	<b>75.69</b>	<b>1,700.71</b>	<b>1,661.62</b>
<b>Net assets (A-B)</b>	<b>2,246.61</b>	<b>2,475.03</b>	<b>(516.09)</b>	<b>(456.08)</b>
Group's share in %	99.97%	99.97%	42.50%	42.50%
Group's share in INR	2,245.94	2,474.29	(219.34)	(193.83)

Reconciliation to Carrying Amount	Nila Projects LLP		Megacity Cinemall Pvt. Ltd.	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Particulars				
Group share in opening net assets	2,472.13	2,216.54	66.76	87.10
Profit for the year - share of group	(10.41)	(6.29)	(25.50)	(20.34)
<b>Opening net assets</b>	<b>2,461.73</b>	<b>2,210.25</b>	<b>41.26</b>	<b>66.76</b>
Add:- Ind AS adjustment	-	261.88	-	-
Less:- Unrealised gain & losses eliminated against the investement accounted for using equity method	-	-	-	-
<b>Closing net assets</b>	<b>2,461.73</b>	<b>2,472.13</b>	<b>41.26</b>	<b>66.76</b>

## Summarised statement of profit and loss of material joint venture

Summarised profit and loss	Nila Projects LLP		Megacity Cinemall Pvt. Ltd.	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue	-	-	-	-
Other income	11.13	2.57	34.52	12.00
Total income	11.13	2.57	34.52	12.00
Employee benefit expense	5.58	4.90	2.76	2.57
Finance cost	15.74	3.70	0	-
Depreciation	-	-	24.34	30.10
Project exp	-	-	-	-
Other expense	0.22	0.26	67.43	27.18
Total expense	21.54	8.86	94.53	59.85
Profit before tax	(10.41)	(6.29)	(60.01)	(47.85)
Tax expense	-	-	-	-
Profit after tax	(10.41)	(6.29)	(60.01)	(47.85)

## Notes to the consolidated financial statements

for the year ended 31 March 2020

### Note 37

#### Additional Information as per Schedule III

Below is the list of associate and joint ventures as at 31 March 2020. Their Share capital comprises solely of equity shares and/or as partners capital held by the group and proportion of ownership interest held equals the voting rights held by the group

Name of Entity in the group	Net Assets (Total assets minus Total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated share in profit or (loss)	Amount	As % of consolidated share in comprehensive income	Amount	As % of consolidated share in total comprehensive income	Amount
<b>Parent</b>								
Nila Spaces Limited								
31 March 2020	79.26%	9,566.32	244.69%	502.94	100.00%	(1.68)	245.88%	501.26
31 March 2019	77.20%	9,160.99	101.71%	293.54	100.00%	(2.65)	101.73%	291.23
<b>Joint Ventures</b>								
Nila Projects LLP								
31 March 2020	20.40%	2,461.73	(135.74)%	(278.99)	-	-	(136.85)%	(278.99)
31 March 2019	20.91%	2,480.85	0.21%	0.62	-	-	0.22%	0.62
Nilsan Realites LLP								
31 March 2020	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
31 March 2019	1.42%	168.34	9.08%	26.24	-	-	9.32%	26.24
<b>Associate</b>								
Megacity Cinemall Pvt. Ltd.								
31 March 2020	0.34%	41.26	(8.96)%	(18.41)	-	-	(9.03)	(18.41)
31 March 2019	0.47%	55.28	(11.01)%	31.81	-	-	(11.11)%	(31.81)
<b>Total</b>								
31 March 2020	100.00%	12,069.30	100.00%	205.54	100.00%	(1.68)	100.00%	203.86
31 March 2019	100.00%	11,865.47	100.00%	288.95	100.00%	(2.65)	100.00%	286.28

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2020 and 31 March 2019.

### Note 38

Previous year figures have been regrouped/reclassified wherever necessary to confirm to current year presentation

#### For Dhirubhai Shah & Co. LLP

Chartered Accountants

Firm's Registration No: 102511W/W100298

#### Harish B Patel

Partner

Membership No.: 014427

Place : Ahmedabad

Date : 27 June 2020

#### For and on behalf of the Board of Directors of

Nila Spaces Limited

CIN : L45100GJ2000PLC083204

#### Jasvinder S Rana

Chairman

DIN : 01749361

#### Rajesh M Shah

Chief Financial Officer

Place : Ahmedabad

Date : 27 June 2020

#### Anand B Patel

Managing Director

DIN : 07272892

#### Gopi V Dave

Company Secretary

Membership No.: A46865

#### Deep S Vadodaria

Director

DIN : 01284293



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