

**Hagwood Commercial Developers Private Limited**

**Financial Statements  
together with the  
Independent Auditors' Report  
for the year ended 31 March 2022**

# Hagwood Commercial Developers Private Limited

## **Financial statements together with the Independent Auditors' Report**

*for the year ended 31 March 2022*

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# B S R & Co. LLP

Chartered Accountants

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## Independent Auditors' Report

### To the Members of Hagwood Commercial Developers Private Limited

#### Report on the Audit of the financial statements

##### Opinion

We have audited the financial statements of Hagwood Commercial Developers Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, 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 then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

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

##### Emphasis of Matter

We draw attention to note (43) to the financial statements of the Company, which currently is contesting the cancellation order issued by Airport Authority of India, Nagpur ('AAIN') which currently is contesting the cancellation order issued by Airport Authority of India, Nagpur ('AAIN') and revalidation of the original No Objection Certificate ('NOC') issued by AAIN for permission of maximum permissible height of the residential building at its project in Nagpur. Further, the Appellate Committee of Ministry of Civil Aviation has rejected the appeal of the subsidiary company and instructed the Airport operator to initiate action as per Aircraft (Demolition of Obstructions caused by buildings and tree, etc.) Rule 1994. The Company had obtained a stay on the demolition order from the Honorable High Court of Bombay (Nagpur Bench). Considering the aeronautical survey report, obstacle limitation study report and the legal opinion obtained by the subsidiary company, no adjustments have been made, in respect of any write down in the carrying value of inventories aggregating to Rs 30,043.37 lakhs, provision towards expected demolition cost, and interest payable to customers on cancellation of bookings, in these financial statements as at 31 March 2022. Our opinion is not modified in respect of this matter.



## **Independent Auditors' Report (Continued)**

### **Hagwood Commercial Developers Private Limited**

#### **Other Information**

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

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

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

#### **Management's and Board of Directors' Responsibility for the financial statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibility for the Audit of the financial statements**

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



## **Independent Auditors' Report (Continued)**

### **Hagwood Commercial Developers Private Limited**

#### **Auditors' Responsibility for the Audit of the financial statements (Continued)**

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

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

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



## **Independent Auditors' Report (*Continued*)**

# **Hagwood Commercial Developers Private Limited**

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

As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
- (e) on the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- a) The Company has disclosed the impact of pending litigations as on 31 March 2022 on its financial position in its financial statements – Refer Note 32 to the financial statements.
- b) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



**Independent Auditors' Report (Continued)**

**Hagwood Commercial Developers Private Limited**

**Report on Other Legal and Regulatory Requirements (Continued)**

- d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 44 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) contain any material mis-statement.

- e) The Company has neither declared nor paid any dividend during the year.

- (C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration and the Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

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



**Mansi Pardiwalla**

Partner

Membership No: 108511  
UDIN: 22108511AJUCFW4501

Mumbai  
28 May 2022

## Hagwood Commercial Developers Private Limited

### Annexure A to the Independent Auditors' Report – 31 March 2022

(Referred to in Paragraph I under 'Report on Other Legal and Regulatory requirements' section our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Property.
- (B) The Company does not have any intangible assets. Accordingly, paragraph 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment including Investment property by which all property, plant and equipment including investment properties 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. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the Note 4 of the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)(a) The Company inventory includes construction work in progress accordingly the requirements under paragraph 3(ii) of the Order is not applicable for construction work in progress.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans and advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.





## Hagwood Commercial Developers Private Limited

### Annexure A to the Independent Auditors' Report – 31 March 2022 (Continued)

- (iv) According to the information and explanation given to us and on the basis of our examination of records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Sections 185 and 186 of the Act. In respect of the investments made by the company, the provisions of section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the activities carried out by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Professional tax, Property tax, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax and Income-tax have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of wealth tax, Custom duty and Employees' State Insurance.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Professional tax, Property tax, Income-tax, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Income-tax, Sales tax, Service Tax, Value added tax or other statutory dues which have not been deposited on account of any dispute, except as stated below:

(Rs in lakhs)

Name of the statute	Nature of the dues	Amount of demand under dispute (Rs. In lakhs)	Amount under dispute not deposited (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income-tax (interest thereon not ascertainable at present)	1.92	-	AY 2017-2018	Commissioner of Income-tax (Appeals)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

## Hagwood Commercial Developers Private Limited

### Annexure A to the Independent Auditors' Report – 31 March 2022 (Continued)

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.



## Hagwood Commercial Developers Private Limited

### Annexure A to the Independent Auditors' Report – 31 March 2022 (Continued)

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) a to c of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016, as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs. 311.94 lakhs in the current financial year and Rs. 551.05 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



## Hagwood Commercial Developers Private Limited

### **Annexure A to the Independent Auditors' Report – 31 March 2022** *(Continued)*

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

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

Mansi Pardiwalla

**Mansi Pardiwalla**

*Partner*

Mumbai  
28 May 2022

Membership No: 108511  
UDIN: 22108511AJUCFW4501

# Hagwood Commercial Developers Private Limited

## Annexure B to the Independent Auditors' Report – 31 March 2022

**Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph (A) (f) 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 financial statements of Hagwood Commercial Developers Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the 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 financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to 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 and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the 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 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 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



## Hagwood Commercial Developers Private Limited

### Annexure B to the Independent Auditors' Report – 31 March 2022 (Continued)

#### Meaning of Internal Financial Controls with reference to financial statements

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

#### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

For B S R & Co. LLP

Chartered Accountants

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



Mansi Pardiwalla

Partner

Mumbai  
28 May 2022

Membership No: 108511

UDIN: 22108511AJUCFW4501

# Hagwood Commercial Developers Private Limited

## Balance sheet

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

Note 31 March 2022 31 March 2021

<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	34.64	56.54
Investment property	4	8,752.00	8,752.00
Investment property under construction	5	3,208.54	3,138.84
<b>Financial assets</b>			
Investments	6	4,409.63	3,570.38
Other financial assets	7	83.76	80.81
Deferred tax assets (net)	8	4,203.32	4,159.22
Non-current tax assets (net)	9	19.24	17.62
Other non-current assets	10	1,124.94	1,086.43
<b>Other non-current assets</b>		<u>21,836.07</u>	<u>20,861.84</u>
<b>Current assets</b>			
Inventories	11	33,887.69	31,136.51
<b>Financial assets</b>			
Investments	12	42.48	-
Cash and cash equivalents	13	74.74	9.31
Loans	14	2.83	3.25
Other financial assets	15	21.90	21.21
Other current assets	16	458.78	780.11
<b>Total current assets</b>		<u>34,488.42</u>	<u>31,950.39</u>
<b>Total assets</b>		<u>56,324.49</u>	<u>52,812.23</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	17	1,541.50	1,541.50
Other equity	17.1	19,623.60	19,074.99
<b>Total equity</b>		<u>21,165.10</u>	<u>20,616.49</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	1,773.37	1,762.12
Provisions	19	8.95	8.95
<b>Total non-current liabilities</b>		<u>1,782.32</u>	<u>1,771.07</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	7,136.62	5,209.96
Trade payables			
Total outstanding dues to micro enterprise and small enterprise	21	19.38	3.93
Total outstanding dues to creditors other than micro enterprise and small enterprise	21	1,345.10	2,077.43
Other financial liabilities	22	698.57	723.46
Other current liabilities	23	24,160.05	22,394.32
Provisions	24	17.35	15.57
<b>Total current liabilities</b>		<u>33,377.07</u>	<u>30,424.67</u>
<b>Total equity and liabilities</b>		<u>56,324.49</u>	<u>52,812.23</u>

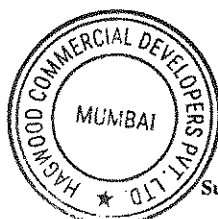
Significant accounting policies 2  
Notes to the financial statements 3 - 47

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

For BSR & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

*Mansi Pardiwalla*

Mansi Pardiwalla  
Partner  
Membership No: 108511



For and on behalf of the Board of Directors of  
Hagwood Commercial Developers Private Limited  
CIN : U45201MH2006PTC164110

*Sudhanshu Chaturvedi*  
Managing Director  
DIN 05151360

*Dipa Hakani*  
Director  
DIN 07155347

Place : Mumbai  
Date : 28 May 2022

Place : Mumbai  
Date : 28 May 2022

# Hagwood Commercial Developers Private Limited

## Statement of profit and loss as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

	Note	31 March 2022	31 March 2021
<b>Income</b>			
Other income	25	139.20	7.51
<b>Total Income</b>		<u>139.20</u>	<u>7.51</u>
<b>Expenses</b>			
Cost of material consumed	26	931.88	1,095.17
Changes in inventories of work-in-progress	26	(931.88)	(1,095.17)
Employee benefits expense	27	65.10	57.73
Finance cost	28	75.90	295.14
Depreciation expense	29	22.29	41.21
Other expenses	30	310.14	205.69
<b>Total Expenses</b>		<u>473.43</u>	<u>599.77</u>
<b>(Loss) before tax</b>		<u>(334.23)</u>	<u>(592.26)</u>
<b>Less : Tax expense:</b>			
Current tax (including of earlier years)		-	(22.86)
Deferred tax (credit)		(235.99)	(180.82)
<b>Total tax expenses</b>		<u>(235.99)</u>	<u>(203.68)</u>
<b>(Loss) for the year (A)</b>		<u>(98.24)</u>	<u>(388.58)</u>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
- Remeasurement of post employment benefit obligation		(0.51)	0.81
- Loss from investments in equity instruments measured at FVOCI		839.24	(4,243.75)
- Income tax effect on above		(191.89)	970.77
<b>Other comprehensive income / (loss) for the year, net of tax (B)</b>		<u>646.84</u>	<u>(3,272.17)</u>
<b>Total comprehensive income / (loss) for the year (A+B)</b>		<u>548.61</u>	<u>(3,660.75)</u>
<b>Earnings per equity share</b>	31		
(per equity share of nominal value Rs. 10 each)			
Basic and diluted (in Rs.)		<u>(0.64)</u>	<u>(2.52)</u>

Significant accounting policies  
Notes to the financial statements

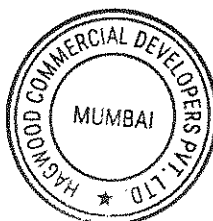
2  
3 - 47

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

For BSR & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

*M Pardiwalla*

Mansi Pardiwalla  
Partner  
Membership No: 108511



For and on behalf of the Board of Directors of  
Hagwood Commercial Developers Private Limited  
CIN : U45201MH2006PTC164110

*Sudhanshu Chaturvedi*  
Sudhanshu Chaturvedi  
Managing Director  
DIN 05151360

*Dipa Hakani*  
Dipa Hakani  
Director  
DIN 07155347

Place : Mumbai  
Date : 28 May 2022

Place : Mumbai  
Date : 28 May 2022



# Hagwood Commercial Developers Private Limited

## Statement of changes in equity for the year ended 31 March 2022

(Currency : Indian Rupees in Lakhs)

### A) Equity share capital

Particulars	Note	Number	Total
Equity shares of Rs. 10 each issued, subscribed and paid <b>Balance as at the 1 April 2020</b>	17	1,54,15,000	1,541.50
Changes in equity share capital due to prior period item		-	-
Restated balance at the beginning of the current reporting period		-	-
Changes in equity share capital for the year ended 31 March 2021		-	-
<b>Balance as at the 31 March 2021</b>		1,54,15,000	1,541.50
Changes in equity share capital due to prior period item		-	-
Restated balance at the beginning of the current reporting period		-	-
Changes in equity share capital for the year ended 31 March 2022		-	-
<b>Balance as at the 31 March 2022</b>		1,54,15,000	1,541.50

### B) Other equity

Note	Reserves and surplus	Other comprehensive income	Equity Component on	Total
17.1	Securities premium reserve	Gain / (loss) on fair value of investments	fair value of Corporate Guarantee given by Parent	
<b>Balance as at the 1 April 2020</b>	20,964.58	1,403.31	2.13	22,726.85
Total comprehensive income for the year (net of tax)	-	(3,272.75)	0.58	(3,651.84)
<b>Balance as at the 31 March 2021</b>	20,964.58	(1,869.44)	2.70	19,074.99
Total comprehensive income for the year (net of tax)	-	(98.24)	(0.36)	548.61
<b>Balance as at the 31 March 2022</b>	20,964.58	(1,41.50)	2.35	19,623.60

Refer note 17.1 for nature and purpose of each reserve

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

*Mansi Pardiwalla*

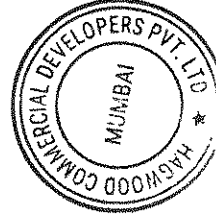
Mansi Pardiwalla

Partner

Membership No: 108511

Place : Mumbai

Date : 28 May 2022



For and on behalf of the Board of Directors of  
Hagwood Commercial Developers Private Limited  
CIN : U45201MH2886PTC164110

*Sudhanshu Chaturvedi*

Sudhanshu Chaturvedi

Managing Director

DIN 05151360

*Disha Hakani*

Disha Hakani

Director

DIN 00155347

Place : Mumbai

Date : 28 May 2022

# Hagwood Commercial Developers Private Limited

## Statement of cash flows

for the year ended 31 March 2022

(Currency : Indian Rupees in Lakhs)

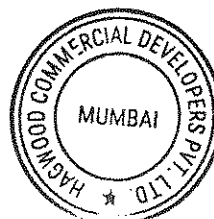
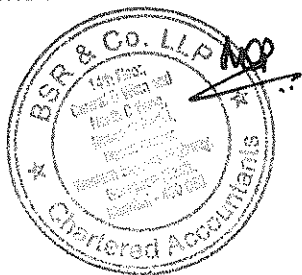
	31 March 2022	31 March 2021
<b>A. Cash flows from operating activities:</b>		
(Loss) before tax	(334.23)	(592.26)
Adjustments for:		
Depreciation expense	22.29	41.21
Interest expenses as per RERA order	71.45	282.14
Compensation as per RERA	6.30	32.53
NRV Loss of Residential Project	144.17	28.70
Interest on car loan	-	0.40
Interest on financial liabilities carried at amortised cost	-	(6.29)
Interest expense on present value of retention money	-	7.08
Notional corporate guarantee expense	4.45	5.52
Gain on sale of Investment	(2.52)	-
Interest income on fixed deposits	(1.41)	(1.22)
<b>Operating cash flows before working capital changes</b>	<b>(89.50)</b>	<b>(202.18)</b>
<b>Adjustments for changes in working capital:</b>		
(Increase) in inventories	(207.95)	(384.44)
(Increase) in other financial assets	(3.64)	(0.45)
Decrease / (increase) in other assets	278.37	(145.64)
Increase in provisions	1.27	3.05
(Decrease) in other financial liabilities	(33.02)	(1.42)
(Decrease) / increase in other liabilities	(111.99)	33.92
(Decrease) in trade payables	(794.63)	(0.12)
<b>Cash flows (used in) operations</b>	<b>(961.09)</b>	<b>(697.28)</b>
Direct taxes paid (net of refunds received)	1.62	0.24
<b>Net cash flows (used in) operating activities (A)</b>	<b>(959.47)</b>	<b>(697.04)</b>
<b>B. Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(0.39)	0.02
Expenditure incurred on Investment property under construction	(69.70)	(77.85)
(Loan given) / repayment of loans given	0.42	0.80
Sale / (Purchase) of Investments	(42.48)	-
Gain on sale of Investment	2.52	-
Interest received	1.41	1.22
<b>Net cash flows (used in) investing activities (B)</b>	<b>(108.22)</b>	<b>(75.81)</b>
<b>C. Cash flows from financing activities:</b>		
Proceeds from short-term borrowings	1,374.00	1,001.35
Repayment of short-term borrowings	-	(119.96)
Interest paid	(240.86)	(115.09)
<b>Net cash flows generated from financing activities (C)</b>	<b>1,133.14</b>	<b>766.30</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>65.44</b>	<b>(6.56)</b>
Cash and cash equivalents at the beginning of the year	9.31	15.87
<b>Cash and cash equivalents at the end of the year</b>	<b>74.75</b>	<b>9.31</b>

The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Cash Flow Statement prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.

The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments.

### Components of cash and cash equivalents considered only for the purpose of cash flow statement

Cash in hand	0.99	1.51
In bank- current accounts	73.75	7.80
	<b>74.74</b>	<b>9.31</b>



# Hagwood Commercial Developers Private Limited

## Statement of cash flows

for the year ended 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	31 March 2021	Cash flows	Non-cash changes		31 March 2022
			Fair value changes/ Interest	Current / Non - current classification	
Long-term borrowings (refer note 18)	1,762.12	(240.86)	252.11	-	1,773.37
Short-term borrowings (refer note 20)	5,209.96	1,374.00	552.66	-	7,136.62
<b>Total liabilities from financing activities</b>	<b>6,972.08</b>	<b>1,133.14</b>	<b>804.77</b>	<b>-</b>	<b>8,909.99</b>

Particulars	31 March 2020	Cash flows	Non-cash changes		31 March 2021
			Fair value changes/ Interest	Current / Non - current classification	
Long-term borrowings (refer note 18)	-	(115.09)	230.18	1,647.03	1,762.12
Short-term borrowings (refer note 20)	3,885.50	881.39	443.07	-	5,209.96
Other financial liabilities (refer note 22)	1,647.03	-	-	(1,647.03)	-
<b>Total liabilities from financing activities</b>	<b>5,532.53</b>	<b>766.30</b>	<b>673.25</b>	<b>-</b>	<b>6,972.08</b>

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

*M Pardiwalla*

Mansi Pardiwalla  
Partner  
Membership No: 108511

Place : Mumbai  
Date : 28 May 2022



For and on behalf of the Board of Directors of  
Hagwood Commercial Developers Private Limited  
CIN : U45201MH2006PTC164110

*Sudhanshu Chaturvedi*  
Sudhanshu Chaturvedi  
Managing Director  
DIN 05151360

*Dipa Hakani*  
Dipa Hakani  
Director  
DIN 07155347

Place : Mumbai  
Date : 28 May 2022

# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 1. Corporate information

Hagwood Commercial Developers Private Limited (the Company) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of developing, owning and operating of shopping malls, commercial and residential premises.

#### 2.1 Basis of preparation

##### (a) Statement of compliance

These financial statements of the Company 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 and amendments, as applicable.

These financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 28 May 2022.

Details of accounting policies are included in Note 2.2 to the financial statements.

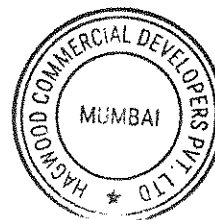
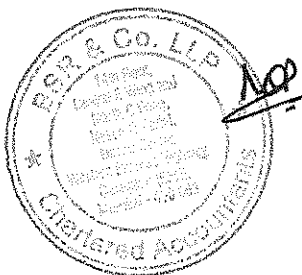
##### (b) Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer note 2.2 (A))
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined obligations

##### (c) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.1 Basis of preparation (*Continued*)

#### (d) Use of estimates and judgements

In preparing these 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. In preparing these 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### *Assumptions and estimation uncertainties*

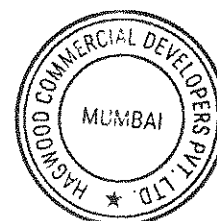
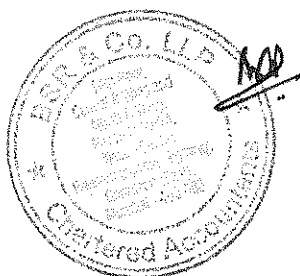
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

- Note 8 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 33 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 19, 24 and 32 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 37 - impairment of financial assets and
- Note 2.2 (B) and 2.2 (C) - estimation of useful life of property, plant and equipment and investment properties.
- Note 2.2 (G) and 40- Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition.

#### (e) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### (f) Measurement of fair values

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

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 quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a 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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

- Note 38 – financial instruments and
- Note 4 – investment property

### (g) Current and non-current classification

All assets and liabilities are classified into current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

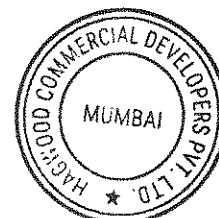
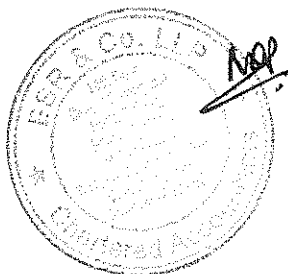
- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.1 Basis of preparation (*Continued*)

#### (g) Current and non-current classification (*Continued*)

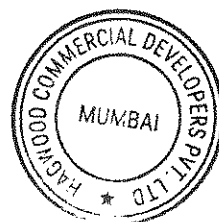
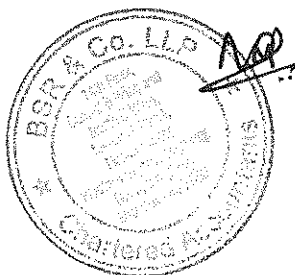
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### (h) Going concern

The Company is engaged in the business of mixed used development at Nagpur. Based on the future business plans and cash flows of the Company, and the financial support from the fellow subsidiaries and ultimate holding company of the Company, the management believes that the Company, as at 31 March 2022, will continue to operate as a going concern for the foreseeable future, realise its assets and discharge its liabilities as they fall due for payment, in the normal course of business.

#### (i) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### A. Financial instruments

##### (i) *Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

##### (ii) *Classification and subsequent measurement*

###### *Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

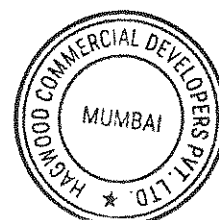
Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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





# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### A. Financial instruments (*Continued*)

On initial recognition of an equity investment that is not held for trading, the Company has elected the irrevocable option to present subsequent changes in the investment's fair value in OCI (designates as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company has irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces on accounting mismatch that would otherwise arise.

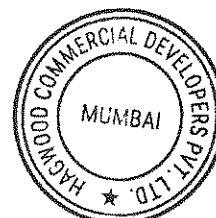
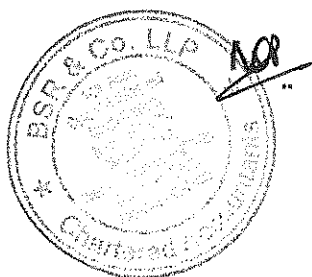
##### *Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profit, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### A. Financial instruments (*Continued*)

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

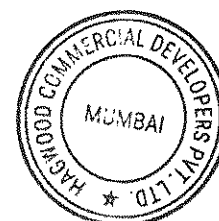
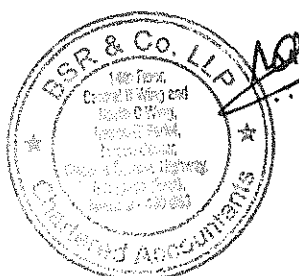
A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset

acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost- These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### A. Financial instruments (*Continued*)

recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI- These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

#### *Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### (iii) *Derecognition*

##### *Financial assets*

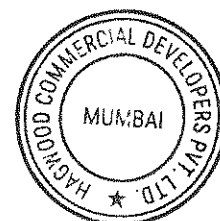
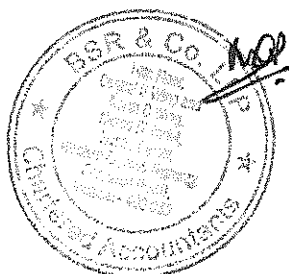
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

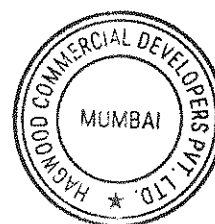
If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

##### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The





# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### B. Property, plant and equipment (*Continued*)

##### (iii) Depreciation

Depreciation on Property, Plant and Equipment of the company has been provided as per written down value method as per the estimated useful lives of the respective item of Property, Plant and Equipment indicated in Part 'C' of Schedule II of the Act.

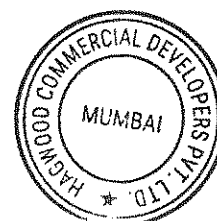
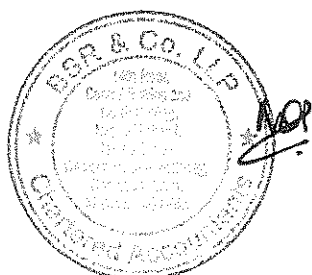
The details are set out as below:

Asset	Useful life as per Schedule II
Furniture and fixtures	10 years
Motor vehicles	8 years
Computers	3 years
Office equipments	5 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above represent the period over which management expects to use these assets.

##### (iv) Capital work-in progress and capital advances

Capital work-in progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as 'Other non-current assets'.



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (Continued)

#### C. Investment Property

##### (i) Recognition and measurement

Investment properties are held to earn rentals or for capital appreciation, or 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. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

##### (ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognized in Statement of Profit and Loss.

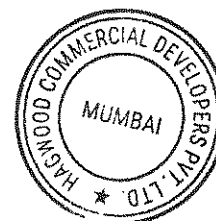
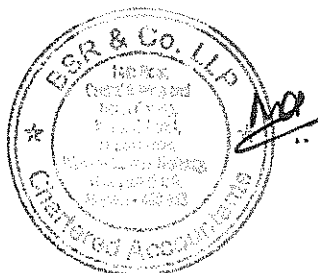
Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the note no 4 of the Financial statements.

##### (iii) Depreciation

Depreciation on Investment Property has been provided as per written down value method as per the useful lives indicated in Part 'C' of Schedule II of the Act or based on management estimates using technical evaluation.

The details are set out as below:

Asset category	Useful life estimated by the management	Useful life as per Schedule II of the Act
Building	5 years	60 years



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### *D. Impairment*

##### *(i) Impairment of financial instruments*

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

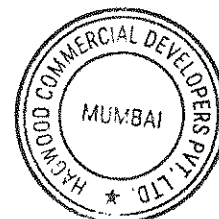
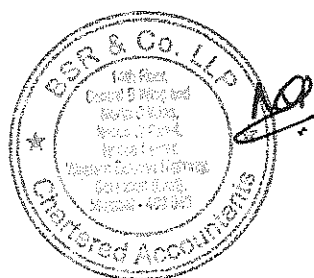
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

#### *Trade and other receivables*

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected, etc. and expectations about future cash flows.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (Continued)

#### D. Impairment (Continued)

##### (i) Impairment of financial instruments (Continued)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

##### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

##### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

##### *Write off*

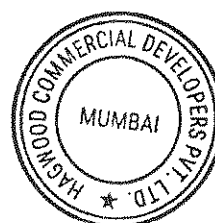
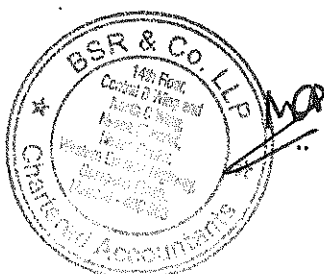
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

##### (ii) Impairment of non-financial assets

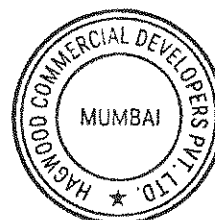
The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.







# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### *E. Employee benefits (Continued)*

##### *(ii) Defined contribution plans (Continued)*

Defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### *(iii) Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a 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.

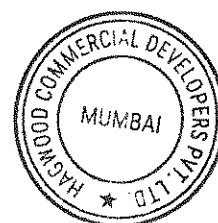
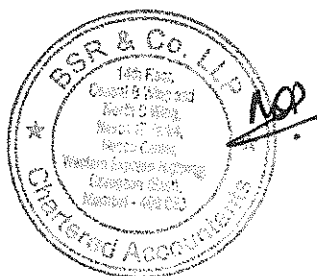
The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognised in profit or 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 ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

##### *(iv) Other long-term employee benefits*

The Company net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### *E. Employee benefits (Continued)*

##### *(iv) Other long-term employee benefits (Continued)*

obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

#### *F. Provisions and contingent liabilities*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflows 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 assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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

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

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

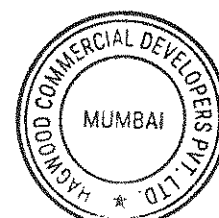
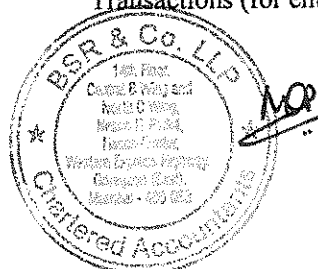
#### *G. Revenue recognition*

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### *(i) Revenue from operations*

The Company has applied modified retrospective approach in adopting the new standard (for all contracts other than completed contracts) and accordingly recognised revenue in accordance with Ind AS 115 as compared to earlier Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable).



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### G. Revenue recognition (*Continued*)

##### (i) Revenue from operations (*Continued*)

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

The Company recognises revenue when it determines the satisfaction of performance obligations at a point in time. Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for those products.

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

For sale of units, the Company recognises revenue when its performance obligations are satisfied and customer obtains control of the asset.

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

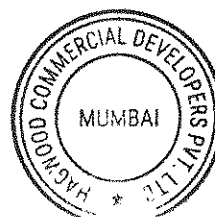
Contract liabilities are recognised when there is billing in excess of revenue and advance received from customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

##### (ii) Dividend Income

Dividend income is recognized in the statement of profit and loss on the date the entity's right to receive the payments is established.

All revenue is stated exclusive of goods and service tax.



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### G. Revenue recognition (*Continued*)

##### Use of significant judgements in revenue recognition

- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

#### H. Leases

##### (i) Policy applicable before April 01, 2019

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

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

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

##### (ii) Policy applicable after April 01, 2019

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

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



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.3 Significant accounting policies (Continued)

#### H. Leases(Continued)

##### As a Lessee

##### Right of use Asset

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

##### Lease Liability

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

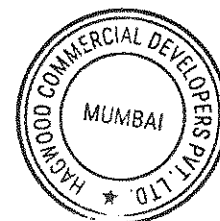
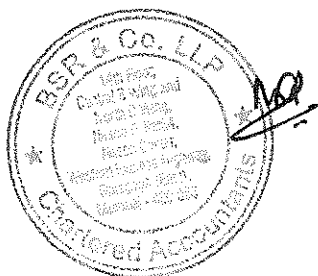
#### I. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset that have become credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### *J. Income tax*

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

##### *(i) 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.

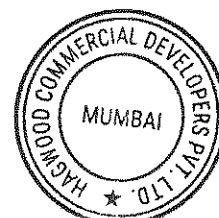
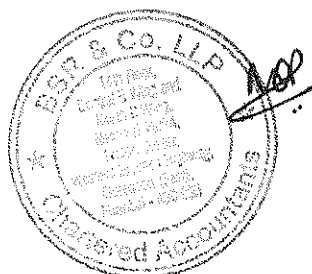
Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### *(ii) Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised 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. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable respectively that the related tax benefit will be realised.



# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### *J. Income tax (Continued)*

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax assets and liabilities will be realised simultaneously.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability. However, since company has opted for new tax regime hence entire available MAT credit is charged Profit and loss in current year.

#### Section 115BAA

A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section.

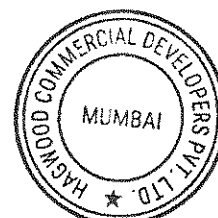
#### *K. Borrowing cost*

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### *L. Foreign exchange translation and accounting of foreign exchange transaction*

##### *(i) Initial Recognition*

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximates the actual rate at the date of the transactions.





# Hagwood Commercial Developers Private Limited

## Notes to the Financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 2.2 Significant accounting policies (*Continued*)

#### *L. Foreign exchange translation and accounting of foreign exchange transaction (Continued)*

##### *(ii) Conversion*

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

##### *(iii) Treatment of Exchange Difference*

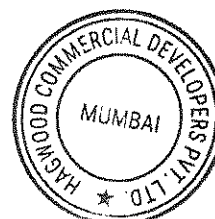
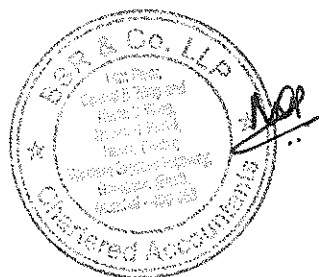
Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

#### *M. Earnings per share*

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

#### *N. Cash and cash equivalents*

Cash and cash equivalent comprise of cash on hand and at banks and cheques on hand, which are subject to an insignificant risk of changes in value.



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

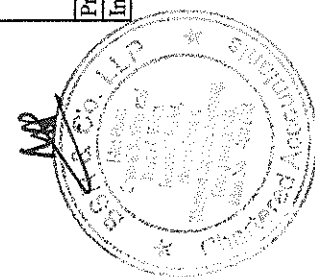
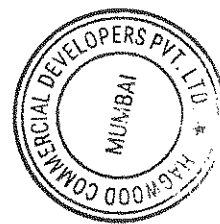
(Currency : Indian Rupees in Lakhs)

### Note 3 : Property, plant and equipment

Particulars	Furniture and Fixtures	Building	Computers	Vehicles	Office Equipment	Total
<b>Gross Block:</b>						
Balance as at 1 April 2020	2.57	288.37	3.95	102.04	1.62	398.55
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31 March 2021	2.57	288.37	3.95	102.04	1.62	398.55
Additions	-	-	0.39	-	-	0.39
Disposals	-	-	-	-	-	-
Balance as at 31 March 2022	2.57	288.37	4.34	102.04	1.62	398.94
<b>Accumulated depreciation</b>						
Balance as at 1 April 2020	2.57	230.91	2.76	64.21	0.34	300.80
Depreciation for the year	-	25.90	0.76	13.27	1.28	41.21
Disposals	-	-	-	-	-	-
Balance as at 31 March 2021	2.57	256.81	3.52	77.49	1.62	342.01
Depreciation for the year	-	14.23	0.39	7.67	-	22.29
Disposals	-	-	-	-	-	-
Balance as at 31 March 2022	2.57	271.04	3.91	85.16	1.62	364.30
<b>Net Block:</b>						
At 31 March 2021	-	31.56	0.43	24.55	-	56.54
At 31 March 2022	-	17.33	0.42	16.88	-	34.64

### Disclosure of title deeds of immovable properties not held in the name of company or held jointly with others

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promotor, director or relative of promotor/director or relative of promotor/ director	Property held since date	Reason for not being held in the name of company
Property Plant & Equipment	Building	288.37	Company	NA	2007	NA
Investment property	Land	8,752.00	Company	NA	2007	NA



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 4 : Investment property

#### A. Reconciliation of carrying amount

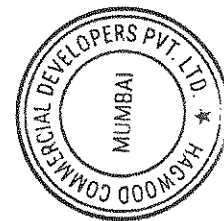
Particulars	Freehold Land	Total
<b>Gross carrying amount:</b>		
Carrying amount as at 1 April 2020	8,752.00	8,752.00
Additions	-	-
Disposals	-	-
Balance as at 31 March 2021	8,752.00	8,752.00
Additions	-	-
Disposals	-	-
Balance as at 31 March 2022	8,752.00	8,752.00
<b>Accumulated depreciation</b>		
Depreciation for the year	-	-
Balance as at 31 March 2021	-	-
Depreciation for the year	-	-
Balance as at 31 March 2022	-	-
<b>Carrying amounts (net)</b>		
At 31 March 2021	8,752.00	8,752.00
At 31 March 2022	8,752.00	8,752.00
<b>Fair Value</b>		
At 31 March 2021		20,107.02
At 31 March 2022		21,569.64

#### B. Measurement of fair values

##### i. Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### ii. Valuation technique

The companies investment properties consist of Land at Nagpur. Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment property	DCF method (refer below)	1). Discount Rate; 2) Market capitalisation rate	18.75% to 19.50%; 10.50%

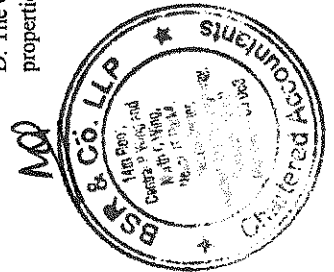
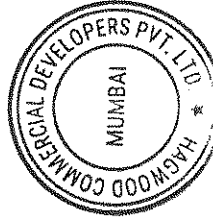
The Company follows discounted cash flow (DCF) method. The DCF method is a financial modelling technique based on explicit assumptions regarding the prospective income arising out of the development to be carried out on the subject land parcel. In case of a valuation of a large land parcel like the subject property, where the development potential is realised over a period of time (i.e. time value of money comes into the picture) and also where there are no or few immediate similar properties (i.e. comparable) available for comparison, the DCF method considering relevant potential developments of the project is used.

For Investment property existing as on the date of transition to IND - AS, the Company has used Indian GAAP carrying value as deemed cost.

### C. Amount recognised in profit and loss for investment properties

	31 March 2021	31 March 2020
Rental income	-	-
Less: direct operating expenses from property that generated rental income	-	-
Less: direct operating expenses from property that did not generate rental income	-	-
<b>Profit from investment properties before depreciation</b>	-	-
Depreciation	-	-
<b>Profit from investment properties</b>	-	-

D. The Company has no restriction on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

31 March 2022 31 March 2021

### Note 5 : Investment property under construction

The Company is planning a retail centric mixed used development project at Nagpur. The expenditure incurred during this period is classified as "Investment Property - Under Construction" and will be apportioned to the asset on the completion of the project.

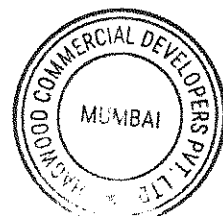
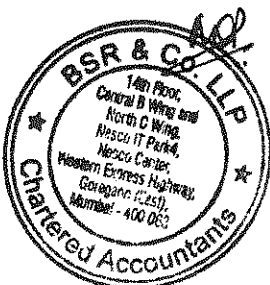
Opening balance	3,138.84	3,060.99
Addition during the year		
<u>Administrative and others expenses</u>		
Management consultancy fees	39.62	77.85
CWIP - School Project	30.08	-
Closing balance	3,208.54	3,138.84

### CWIP ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
School Project	30.08	0.00	0.00	0.00	30.08
Retail Mall	39.62	77.85	241.12	2,819.87	3,178.46
<b>Projects temporarily suspended</b>	NA	NA	NA	NA	NA

### Projects which are overdue or exceeded costs as per original plan:

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>Projects in progress</b>				
Retail Mall	NA	NA	NA	NA
School Project	NA	NA	NA	NA
<b>Projects temporarily suspended</b>	NA	NA	NA	NA



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

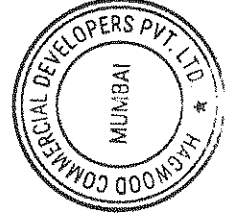
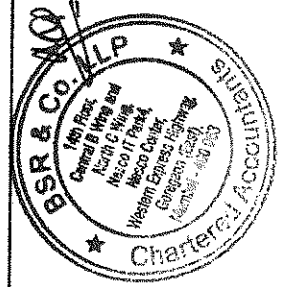
(Currency : Indian Rupees in Lakhs)

### Note 6 : Investments

#### Non-current investments

Particulars	31 March 2022		31 March 2021	
	Nos	Amount in Rs.	Nos	Amount in Rs.
Unquoted Investments in 1% Non-Cumulative, Compulsory Convertible Preference Shares valued at fair value through other comprehensive income (FVOCI)				
Alliance Mall Developers Co Private Limited, Fellow Subsidiary Face value of Rs 10 each, fully paid up	6,89,00,000	4,409.63	6,89,00,000	3,570.38
<b>Total non-current investments</b>		<b>4,409.63</b>		<b>3,570.38</b>

Particulars	31 March 2022	31 March 2021
<b>Details:</b>		
<b>Aggregate of non-current investments:</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	4,409.63	3,570.38
Aggregate amount of impairment in value of investments	-	-



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

31 March 2022 31 March 2021

### Note 7 : Other financial assets

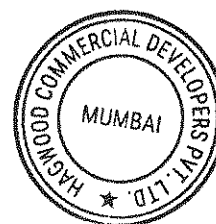
(Unsecured, considered good, unless otherwise stated)

Security deposit	83.76	80.81
<u>Mobilisation advances</u>		
Considered doubtful	412.00	412.00
Less : Provision for expected credit loss	(412.00)	(412.00)
<b>Total other financial assets</b>	<b>83.76</b>	<b>80.81</b>

### Note 8 : Deferred tax assets (net)

*Tax effect of items constituting deferred tax assets:*

Difference in depreciation in block of fixed assets as per Income-tax Act, 1961 and depreciation allowable under books	54.27	56.73
Indexation of freehold land	2,698.24	2,460.99
Provision for expenses disallowed under Section 43B of Income-tax Act, 1961	4.24	4.03
On reversal of revenue and cost of residential project as per Ind AS 115	861.48	861.48
Provision for expected credit loss on financial assets	308.26	308.26
Notional expense on Corporate Guarantee provided by Parent	4.47	3.35
Investments in equity instruments measured at FVOCI	272.36	464.38
<b>Total Deferred tax assets (net)</b>	<b>4,203.32</b>	<b>4,159.22</b>



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 9 : Non-current tax assets (net)

#### (a) Amount recognised in the statement of profit and loss

Particulars	31 March 2022	31 March 2021
Current tax expense (A)		
Current tax (including of earlier years)	-	(22.86)
Deferred tax expense (B)		
Origination and reversal of temporary differences	(235.99)	(180.82)
<b>Tax expense recognised in the income statement (A+B)</b>	<b>(235.99)</b>	<b>(203.68)</b>

A new section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Company has decided to exercise the said option.

#### (b) Amounts recognised in other comprehensive income

Particulars	31 March 2022			31 March 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Gains from investments in equity instruments measured at FVOCI	839.24	(192.04)	647.21	(4,243.75)	971.00	(3,272.75)
Remeasurement of post employment benefit obligation	(0.51)	0.14	(0.37)	0.81	(0.23)	0.58
	<b>838.73</b>	<b>(191.90)</b>	<b>646.84</b>	<b>(4,242.94)</b>	<b>970.77</b>	<b>(3,272.17)</b>

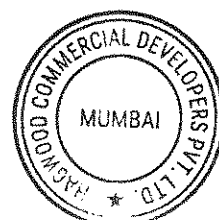
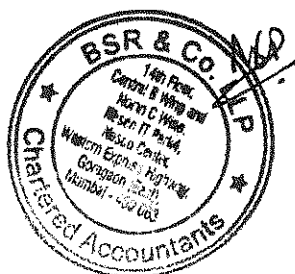
#### (c) Reconciliation of effective tax rate

Particulars	31 March 2022	31 March 2021
Profit before tax	(98.24)	(388.58)
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)	(24.73)	(97.80)
<b>Tax effect of :</b>		
Effect of expenses that is non-deductible in determining taxable profit	19.45	76.03
Tax on Carried forward loss	5.28	-
Effect of indexation benefit on land	(237.26)	(177.94)
Others	0.93	(3.97)
<b>Tax expense as per statement of profit and loss</b>	<b>(236.33)</b>	<b>(203.68)</b>
<b>Effective tax rate</b>	<b>240.56%</b>	<b>52.42%</b>

Particulars	31 March 2022	31 March 2021
TDS receivable	19.24	17.62
<b>Non-current tax assets (net)</b>	<b>19.24</b>	<b>17.62</b>

#### (d) Movement in deferred tax balances

	Net balances at 1 April 2021	Recognised in the statement of profit and loss	Recognised in OCI	Balance at 31 March 2022		
				Net	Deferred tax asset	Deferred tax Liability
Property, Plant and Equipment	56.73	(2.46)	-	54.27	54.27	-
Investment Property	2,460.98	237.26	-	2,698.24	2,698.24	-
Investments	464.38	-	(192.02)	272.36	272.36	-
Ind AS 115 impact	861.48	0.00	-	861.48	861.48	-
Notional expense on Corporate Guarantee provided to	3.36	1.11	-	4.47	4.47	-
Loans and other financial assets	308.26	0.00	-	308.26	308.26	-
Provisions	4.03	0.08	0.13	4.24	4.24	-
<b>Tax assets (liabilities) before set-off</b>	<b>4,159.22</b>	<b>235.99</b>	<b>(191.89)</b>	<b>4,203.33</b>	<b>4,203.32</b>	<b>-</b>
Set-off of deferred tax liabilities					-	
<b>Net deferred tax assets/ (liabilities)</b>					<b>4,203.32</b>	





# Hagwood Commercial Developers Private Limited

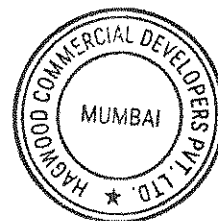
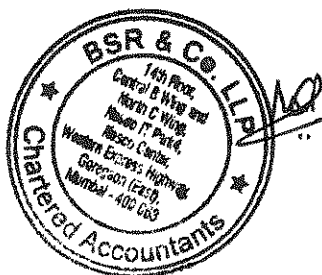
## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 9 : Non-current tax assets (net)

	Net balances at 1 April 2020	Recognised in the statement of profit and loss	Recognised in OCI	Balance at 31 March 2021		
				Net	Deferred tax asset	Deferred tax Liability
Property, Plant and Equipment	55.50	1.23	-	56.73	56.73	-
Investment Property	2,283.04	177.94	-	2,460.98	2,460.98	-
Investments	(506.59)	-	970.97	464.38	464.38	-
Ind AS 115 impact	861.48	-	-	861.48	861.48	-
Retention money payable	(0.20)	0.20	-	-	-	-
Notional expense on Corporate Guarantee provided to	1.97	1.39	-	3.36	3.36	-
Loans and other financial assets	308.26	-	-	308.26	308.26	-
Provisions	4.18	0.05	(0.20)	4.03	4.03	-
MAT Credit Entitlement	-	-	-	-	-	-
Tax assets (liabilities) before set-off	3,007.64	180.82	970.77	4,159.22	4,159.22	-
Set-off of deferred tax liabilities	-	-	-	-	-	-
Net deferred tax assets/ (liabilities)	-	-	-	<u>4,159.22</u>	<u>4,159.22</u>	-



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

31 March 2022      31 March 2021

### Note 10 : Other non-current assets

(Unsecured, considered good)

To parties other than related parties

Goods and services tax (GST) input credit

1,124.94

1,083.80

### Total Other non-current assets

1,124.94

1,086.43

### Note 11 : Inventories

(valued at cost or net realisable value, whichever is lower)

Work in progress - residential project (Refer note 26)

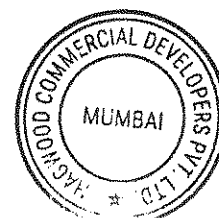
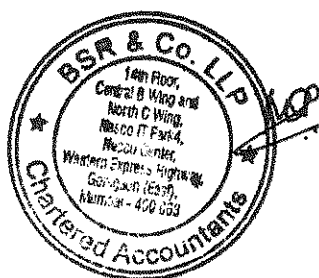
33,887.69

31,136.51

### Total Inventories

33,887.69

31,136.51



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

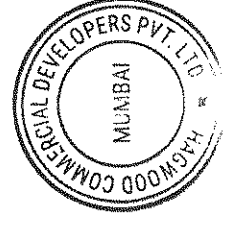
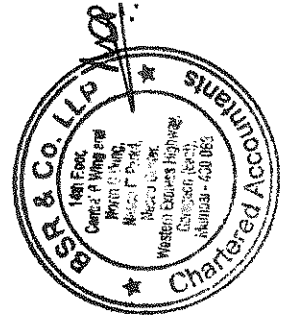
(Currency : Indian Rupees in Lakhs)

### Note 12 : Investments

#### Current investments

Particulars	31 March 2022		31 March 2021	
	Nos	Amount in Rs.	Nos	Amount in Rs.
Unquoted				
Investments valued at fair value through profit and loss (FVTPL), fully paid up				
Aditya Birla SL Savings Fund (G)	9,338	41.12	-	-
IDFC Ultra Short Term Fund (G)	11,032	1.36	-	-
<b>Total current investments</b>	<b>20,370</b>	<b>42.48</b>	<b>-</b>	<b>-</b>

Particulars	31 March 2022	31 March 2021
<b>Details:</b>		
<b>Aggregate of non-current investments:</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	42.48	-
Aggregate amount of impairment in value of investments	-	-



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

31 March 2022 31 March 2021

### Note 13 : Cash and cash equivalents

Balances with Banks:

- in current accounts	73.75	7.80
Cash on hand	0.99	1.51

<b>Total cash and cash equivalents</b>	<b>74.74</b>	<b>9.31</b>
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### Note 14 : Loans

(Unsecured, considered good, unless otherwise stated)

To parties other than related parties

Advance to staff	2.83	3.25
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<b>Total Loans</b>	<b>2.83</b>	<b>3.25</b>
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### Loans and Advance to specified person

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promotor	Nil	Nil
Directors	Nil	Nil
KMPs	Nil	Nil
Related Parties	Nil	Nil

### Note 15 : Other financial assets

Unsecured and considered good

Bank deposits (due to mature within 12 months of the reporting date) *	21.90	21.21
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<b>Total other financial assets</b>	<b>21.90</b>	<b>21.21</b>
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\* Bank Deposits are kept against bank guarantee given to Nagpur pollution control board.

### Note 16 : Other current assets

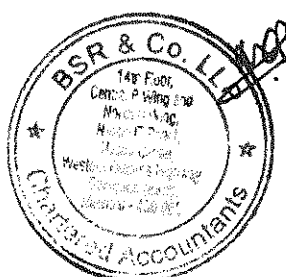
To related parties

Deferred guarantee expense on corporate guarantee given by holding company, Prozone Intu Properties Limited	2.63	4.45
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To parties other than related parties

Prepaid expense	1.40	1.85
Advance to vendors	104.14	481.63
Subvention and brokerage charges	350.61	292.18

<b>Total other current assets</b>	<b>458.78</b>	<b>780.11</b>
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# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 17 : Equity share capital

Particulars	31 March 2022	31 March 2021
<b>Authorised share capital</b>		
160 lakhs (31 March 2021: 160 lakhs) equity shares of Rs 10 each	1,600.00	1,600.00
<b>Issued, subscribed and fully paid up</b>		
154.15 lakhs (31 March 2021: 154.15 lakhs) equity shares of Rs 10 each, fully paid up	1,541.50	1,541.50
<b>Total issued, subscribed and paid-up equity share capital</b>	<b>1,541.50</b>	<b>1,541.50</b>

#### a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	31 March 2022		31 March 2021	
	No. in lakhs	Rs in lakhs	No. in lakhs	Rs in lakhs
<b>Equity Shares</b>				
At the beginning of the year	154.15	1,541.50	154.15	1,541.50
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>154.15</b>	<b>1,541.50</b>	<b>154.15</b>	<b>1,541.50</b>

#### b) Rights, preferences and restriction attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c) Shares held by holding company

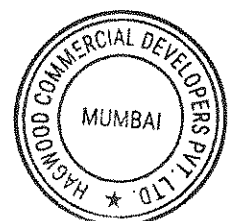
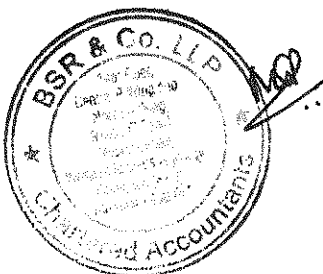
Particulars	31 March 2022		31 March 2021	
	No. in lakhs	Rs in lakhs	No. in lakhs	Rs in lakhs
Prozone Liberty International Limited, Singapore, Holding company	94.80	948.00	94.80	948.00

#### d) Details of Shareholders holding more than 5% shares in the company:

Particulars	31 March 2022		31 March 2021	
	No. in lakhs	% holding	No. in lakhs	% holding
Prozone Liberty International Limited, Singapore	94.80	61.50%	94.80	61.50%
Triangle Real Estate India Investments Limited	53.95	35.00%	53.95	35.00%

#### (e) Promoters' shareholdings during the year

Shares held by promoters at the end of the year			% Change during the year
Promoter's Name	No. of shares	% of Total shares	
(i) Prozone Liberty International Limited, Singapore, Holding company	9480000	61.50%	Nil



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

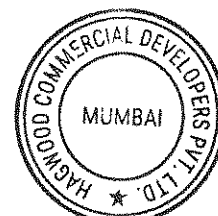
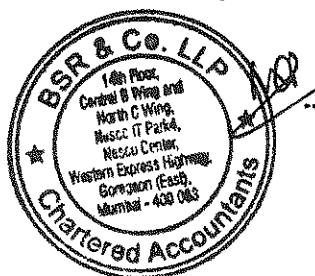
(Currency : Indian Rupees in Lakhs)

### Note 17.1 : Other equity

Particulars	31 March 2022	31 March 2021
<b>Securities premium</b>		
Opening balance	20,964.58	20,964.58
Add: Addition during the year	-	-
Closing balance (refer sub-note 1)	20,964.58	20,964.58
<b>Retained earnings</b>		
Opening balance	(43.27)	345.31
Add: (Loss) for the year	(98.24)	(388.58)
Closing balance (refer sub-note 2)	(141.51)	(43.27)
<b>Other Comprehensive Income</b>		
Opening balance	2.70	2.12
Add: Gain/(loss) on fair value of defined benefit plans	(0.36)	0.58
Closing balance	2.35	2.70
<b>Gain on fair value of investments</b>		
Opening balance	(1,869.44)	1,403.31
Add: (reduction) for the year	647.21	(3,272.75)
Closing balance	(1,222.23)	(1,869.44)
<b>Equity Component on fair value of Corporate Guarantee given by Parent</b>		
Opening balance	20.41	11.51
Add: addition for the year	-	8.91
Closing balance	20.41	20.41
<b>Total Other equity</b>	<b>19,623.60</b>	<b>19,074.99</b>

#### Sub-note:

- Securities premium is received pursuant to the further issue of shares/ debentures at a premium net of the share / debenture issue expenses. This is a non-distributable reserve except for the following instances where the share premium account may be applied;
  - towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
  - for the purchase of its own shares or other securities;
  - in writing off the preliminary expenses of the Company;
  - in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
  - in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
- Retained earnings represents the accumulated profits earned/(loss) of the Company.
- This reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income.
- This reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income.



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

31 March 2022 31 March 2021

### Note 18 : Borrowings

(Secured)

Term Loan from Financial Institution	1,813.37	1,802.12
Less : Debt syndication fees	40.00	40.00
<b>Total Borrowings</b>	<b>1,773.37</b>	<b>1,762.12</b>

### Notes:

i) Rs. 1813.37 lakhs (31 March 2021: Rs.1802.12 lakhs ) loan from Financial Institution presently carrying interest @ 14.00 % (previous year 14.00%) (floating rate). The loan is repayable in 12 monthly instalment starting from November 2019. The loan is secured by land admeasuring 18,652 square meters and building thereon. The above loans are further secured by corporate guarantee of the Holding Company Prozone Intu Properties Limited and hypothecation of sold and unsold receivables from the residential project. The restructuring of this loan is approved by the lender, the said loan is now repayable in 8 equal instalments starting from April 2022 to November 2022.

ii) As per RBI's Policy, the Company has availed the relief provided by banks & financial institution by way of moratorium on principal and interest repayments on the loans taken from banks and financial institutions and thus the repayment schedule has been modified accordingly.

The Company's exposure to interest rate and liquidity risks are disclosed in note 38 to the financial statements.

### Note 19 : Provisions

Provision for employee benefits (refer note 33)

- provision for gratuity

	8.95	8.95
<b>Total Provisions</b>	<b>8.95</b>	<b>8.95</b>

### Note 20 : Borrowings

Unsecured loan from ultimate holding company, Prozone Intu Properties Limited*	3,749.21	869.34
Unsecured loan from fellow subsidiary company, Empire Mall Private Limited **	3,387.41	4,340.62
<b>Total Borrowings</b>	<b>7,136.62</b>	<b>5,209.96</b>

\*Repayable on demand carries interest rate @ 8.50% p.a. (previous year 8.50% p.a.)

\*\*Repayable on demand carries interest rate @ 10.60% p.a. (previous year @10.60 p.a.)

### Note 21 : Trade payables

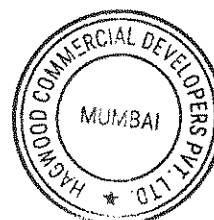
#### Trade Payable

- Total outstanding dues of micro enterprises and small enterprises (refer note below)	19.38	3.93
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,345.10	2,077.43

#### Total Trade payables

<b>1,364.48</b>	<b>2,081.36</b>
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Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

31 March 2022 31 March 2021

### Disclosure of trade payable ageing schedule

FY 2021-2022	Outstanding for followings periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Unbilled	Nil	Nil	Nil	Nil	1,122.39
Billed					
(i) MSME	6.66	7.27	5.45	Nil	19.38
(ii) Others	87.45	135.01	0.25	Nil	222.71
(iii) Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues - Others	Nil	Nil	Nil	Nil	Nil

FY 2020-2021	Outstanding for followings periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Unbilled	Nil	Nil	Nil	Nil	1,690.75
Billed					
(i) MSME	3.93	Nil	Nil	Nil	3.93
(ii) Others	352.86	33.82	Nil	Nil	386.69
(iii) Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues - Others	Nil	Nil	Nil	Nil	Nil

### Note 22 : Other financial liabilities

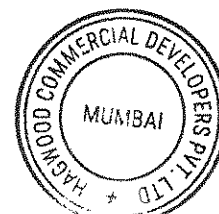
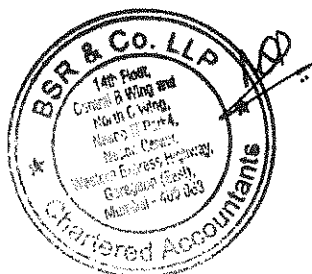
Retention money payable	634.10	658.99
Lease deposits from prospective tenants	64.47	64.47
<b>Total Other financial liabilities</b>	<b>698.57</b>	<b>723.46</b>

### Note 23 : Other current liabilities

Advance from customers / realisation under agreement to sell	24,126.92	22,374.15
Statutory dues payable		
- Tax deducted at source payable	32.32	17.80
- Provident fund payable	0.28	1.65
- MLWF payable	0.04	0.04
- CGST/SGST payable	0.49	0.68
<b>Total Other current liabilities</b>	<b>24,160.05</b>	<b>22,394.32</b>

### Note 24 : Provisions

Provision for employee benefits (Refer note 33)		
- provision for gratuity	2.84	1.53
- provision for compensated absences	5.07	5.52
- provision for other employee benefits expense	9.44	8.51
<b>Total Provisions</b>	<b>17.35</b>	<b>15.57</b>





# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

31 March 2022 31 March 2021

### Note 25 : Other income

Interest income		
- on fixed deposits	1.41	1.22
- on Deposit with court	3.17	-
- on financial liabilities carried at amortised cost	-	6.29
Sundry Balances Written back	132.10	-
Gain on sale of Investment	2.52	-
<b>Total Other income</b>	<b>139.20</b>	<b>7.51</b>

### Note 26 : Cost of material consumed

Opening work in progress - residential project	31,136.52	27,727.65
Add:		
Construction cost	111.93	267.28
Personnel cost	26.98	28.98
Professional fees	69.03	88.20
Borrowing cost	868.11	739.41
Addition on account of significant Finance component under Ind AS 115	1,877.72	2,368.34
Less: NRV Loss of Residential Project	(144.17)	(28.70)
	33,946.12	31,191.16
Less:		
Subvention and brokerage charges transfer to other current assets	58.43	54.64
Closing work in progress - residential project	33,887.69	31,136.52
<b>Total Cost of residential project</b>	<b>-</b>	<b>-</b>

### Note 27 : Employee benefits expense

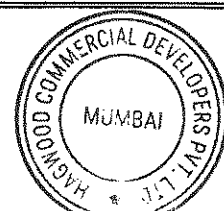
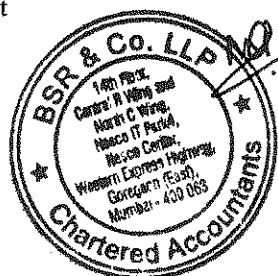
Salaries, wages and bonus	61.50	53.75
Expenses related to post-employment defined benefit plans (refer note 33)	2.10	2.14
Contribution to provident fund and other funds	1.50	1.92
Expenses related to compensated absences (refer note 33)	-	(0.08)
<b>Total Employee benefits expense</b>	<b>65.10</b>	<b>57.73</b>

### Note 28 : Finance cost

Interest on car loan	-	0.40
Other borrowing costs:		
Interest expenses as per RERA order	71.45	282.14
Notional corporate guarantee expense	4.45	5.52
Interest expense on present value of retention money	-	7.08
<b>Total</b>	<b>75.90</b>	<b>295.14</b>

### Note 29 : Depreciation expense

Depreciation on property, plant and equipment	22.29	41.21
<b>Total Depreciation expense</b>	<b>22.29</b>	<b>41.21</b>



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

31 March 2022 31 March 2021

### Note 30 : Other expenses

Advertisement, business and sales promotion expenses	5.77	6.34
Electricity charges	3.25	3.63
Repairs and maintenance	1.75	0.38
Insurance	5.46	8.02
Office expenses	17.56	15.47
Communication expenses	0.46	0.40
Travelling expenses	9.16	3.71
Directors sitting fees	2.50	2.50
Professional fees	19.79	19.45
Payment to auditors' (refer note 30 (a) below)	9.50	9.27
Management consultancy fees	45.22	36.23
Compensation as per RERA	6.30	32.53
NRV Loss of Residential Project	144.17	28.70
CSR expenses	-	7.94
Miscellaneous expenses	39.24	31.12
<b>Total Other expenses</b>	<b>310.14</b>	<b>205.69</b>

### Note 30 (a) : Payment to auditors

- Statutory audit	9.00	9.00
- Tax audit and Others	0.50	0.27
	<b>9.50</b>	<b>9.27</b>

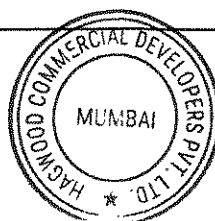
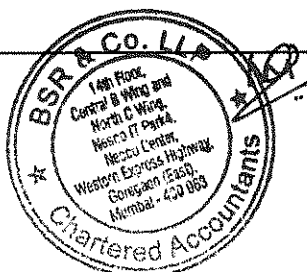
### Note 31 : Earnings per equity share

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Basic: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares purchased by the Company and held as treasury shares.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

Particulars	31 March 2022	31 March 2021
Weighted average number of equity shares of Rs. 10 each (No. in Lakhs)		
Number of shares at the beginning and end of the year	154.15	154.15
Weighted average number of shares outstanding during the year	154.15	154.15
Weighted average number of potential equity shares outstanding during the year	-	-
Total number of potential equity share for calculating diluted earning per share	154.15	154.15
Net profit after tax available for equity shareholders (Rs. In lakhs)	(98.24)	(388.58)
Basic Earning per share (in Rs.)	(0.64)	(2.52)
Diluted Earning per share (in Rs.)	(0.64)	(2.52)



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 32 : Contingent liabilities and commitments are given below:

#### A) Commitments

- i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 670.89 lakhs (31 March 2021 : Rs. 526.08 lakhs).

#### B) Contingent liabilities

- i) Guarantee given by bank on behalf of the Company Rs. 20 Lakhs (31 March 2021 : Rs. 20 lakhs).

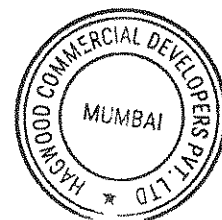
- ii) Disputed demands in respect of Income-tax:

Assessment Year	31 March 2022	31 March 2021
Disputed liability in respect of income-tax for A.Y. 2017-18 (Interest thereon not ascertainable at present)	1.92	1.92
	1.92	1.92

- iii) Litigation pending against the company under MahaRERA authority and courts

Estimated liability on account of interest till 31 March 2022 is Rs 13.86 lakhs (31 March 2021 : Rs. 12.33).

- iv) "The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Company has also made provision of provident fund liability till 31 March 2022 and even paid the same in current financial year.



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 33 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

#### A Defined benefit obligations and short-term compensated absences

##### i) Defined benefit plan

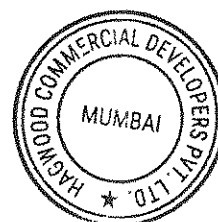
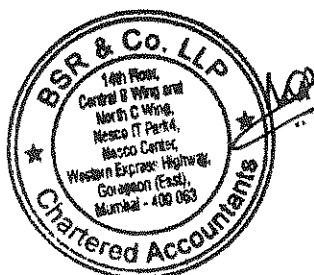
The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

##### ii) Short-term compensated absences

27 days of privilege leave for staff is allowed each year. Unutilised leave can be carried forward to the extend of 42 days of leave. If the same not availed in calendar year then the same will be lapsed.

Particulars	Funded Plan	
	Gratuity	
	31 March 2022	31 March 2021
<b>a) Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	1.53	1.49
Past Service Cost	-	-
Interest Cost	0.59	0.64
<b>Components of defined benefit costs recognized in profit or loss</b>	<b>2.12</b>	<b>2.14</b>
<b>b) Included in other Comprehensive Income</b>		
Actuarial changes arising from changes in financial assumptions	(0.60)	0.23
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	1.10	(1.06)
Return on plan assets excluding amounts included in Interest Income	0.01	0.02
<b>Actuarial (Gain) / Loss recognized in OCI</b>	<b>0.51</b>	<b>(0.81)</b>
<b>c) Recognised in Balance Sheet</b>		
Present value of obligation as at the end of the year	12.51	11.18
Fair value of plan assets as at the end of the year	(0.74)	(0.69)
<b>Net Liability (Asset)</b>	<b>11.78</b>	<b>10.48</b>
<b>d) Changes in defined benefit obligations</b>		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	11.18	11.65
Service cost	1.53	1.49
Past Service Cost	-	-
Interest cost	0.64	0.71
Actuarial loss / (gain)	0.50	(0.83)
Benefits paid	(1.34)	(1.85)
<b>Present value of obligation as at the end of the year</b>	<b>12.51</b>	<b>11.18</b>
<b>e) Change in fair value of assets</b>		
Fair value of plan assets at the beginning of the year	0.69	0.64
Interest Income	0.06	0.07
Return on plan assets excluding amounts included in interest income	(0.01)	(0.02)
Benefits paid	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>0.74</b>	<b>0.69</b>
<b>f) Reconciliation of net defined benefit liability</b>		
Net opening provision in books of accounts	10.48	11.00
Employee Benefit Expense	2.14	2.14
Amounts recognized in Other Comprehensive Income	0.51	(0.81)
Benefits Paid	(1.34)	(1.85)
<b>Closing provision in books of accounts</b>	<b>11.79</b>	<b>10.48</b>



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

Note 33 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

Particulars	Unfunded Plan	
	Compensated absences	
	31 March 2022	31 March 2021
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	5.52	5.60
Service cost	1.21	1.16
Interest cost	0.31	0.33
Actuarial loss / (gain)	(1.54)	(1.58)
Liabilities transferred in / (out)	-	-
Benefits paid	(0.42)	-
Present value of obligation as at the end of the year	5.07	5.52
b) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	1.21	1.16
Past Service Cost	-	-
Interest Cost	0.31	0.33
Actuarial (Gain) / loss on Obligation	(1.54)	(1.58)
Total included in 'employee benefit expense'	(0.02)	(0.08)
c) Liability Recognised in Balance Sheet		
Present value of unfunded obligation as at the end of the year	5.07	5.52
Net Liability	5.07	5.52
d) Components of actuarial gain/losses on obligation		
Actuarial changes arising from changes in financial assumptions	(0.19)	0.09
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	(1.35)	(1.67)
Net actuarial (gain)	(1.54)	(1.58)

Particulars	Gratuity		Compensated absences	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Current/ non-current classification				
Current	1.66	1.54	5.07	5.52
Non- current	10.12	8.95	-	-
	11.78	10.48	5.07	5.52

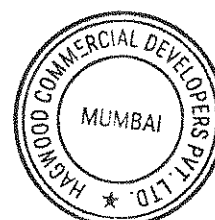
The following table summarizes the principal assumptions used for defined benefit obligation and compensated absences:

Actuarial assumptions	Gratuity		Compensated absences	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Discount rate	6.05%	6.05%	6.40%	6.05%
Salary escalation rate (% p.a.) *	5.10%	5.10%	5.10%	5.10%
Withdrawal Rates	10% at all ages	10% at all ages	10% at all ages	10% at all ages
Leave availment rate	-	-	5.00%	5.00%
Mortality rate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-14) ultimate

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

Quantities sensitivity analysis for significant assumption is as below:

Particulars	Gratuity		Compensated absences	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	0.5% increase		0.5% increase	
i. Discount rate	12.56	10.89	5.07	5.41
ii. Salary escalation rate - over a long-term	13.19	11.46	5.30	5.64
	10% increase		10% increase	
iii. Withdrawal rate (W.R.)	12.97	11.21	5.14	5.46
	0.5% decrease		0.5% decrease	
i. Discount rate	13.23	11.48	5.30	5.64
ii. Salary escalation rate - over a long-term	12.57	10.90	5.07	5.41
	10% decrease		10% decrease	
iii. Withdrawal rate (W.R.)	12.78	11.13	5.23	5.58



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 33 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

#### Maturity analysis of defined benefit obligation

Particulars	Gratuity		Compensated absences	
	Cashflow	Distribution (%)	Cashflow	Distribution (%)
1st Following Year	1.28	6.80%	0.87	12.30%
2nd Following Year	1.32	7.00%	0.78	11.00%
3rd Following Year	4.65	24.70%	1.39	19.70%
4th Following Year	0.84	4.50%	0.46	6.50%
5th Following Year	0.79	4.20%	0.41	5.80%
Sum of Year 6 to 10 Year	4.56	24.20%	1.65	23.40%
Total expected payments	13.44		5.57	

#### B Experience adjustments

Particulars	2021	2020	2019	2018	2017
Present value of defined benefit obligation	11.18	11.65	8.68	7.18	8.37
Fair value of plan assets	(0.69)	(0.65)	(0.60)	(0.55)	(1.59)
(Deficit)	10.48	11.00	8.08	6.63	6.78

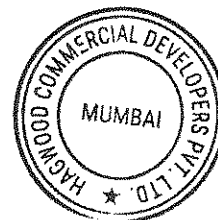
#### C Defined contribution plans

The Company makes contribution towards provident fund to a defined contribution retirement plan for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

	Cashflow	Distribution (%)
(i) Contribution to provident fund	1.50	1.92
(ii) Contribution to MLWF fund	-	-
	1.50	1.92

"The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Company has also made provision of provident fund liability till 31 March 2022 and even paid the same.



# Hagwood Commercial Developers Private Limited

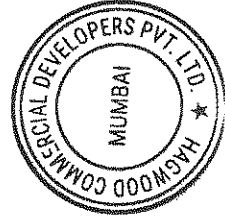
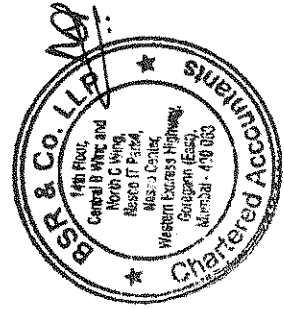
## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 34 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Nature of relationship	Name of the Party
A) Key Management Personnel (KMP) Managing Director	Mr. Sudhanshu Chaturvedi
B) Independent Director and non executive Director Independent Director Independent Director	Ms. Dipa Hakani Ms. Hemal Arya
C) Ultimate Holding Company	Prozone Intu Properties Limited
D) Holding Company	Prozone Liberty International Limited, Singapore.
E) Fellow Subsidiary Company	Empire Mall Private Limited



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

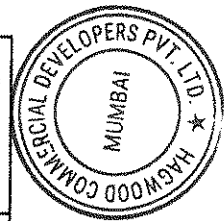
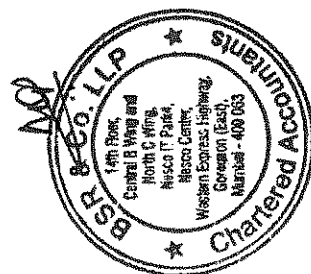
(Currency : Indian Rupees in Lakhs)

**Note 34 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:**

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

### Summary of related party transactions

Transactions	Ultimate Holding Company		Fellow Subsidiary Company		Directors sitting fees	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Directors sitting fees</b>						
Deepa Hakani	-	-	-	-	1.25	1.25
Hemal Arya	-	-	-	-	1.25	1.25
<b>Purchase of services</b>						
Prozone Intu Properties Limited	95.28	143.57	-	-	-	-
<b>Loan taken</b>						
Prozone Intu Properties Limited	2,771.00	464.60	-	-	-	-
Empire Mall Private Limited	-	-	507.00	536.75	-	-
<b>Interest on loan</b>						
Prozone Intu Properties Limited	217.64	39.98	-	-	-	-
Empire Mall Private Limited	-	-	359.49	403.09	-	-
<b>Notional Corporate Guarantees commission</b>						
Prozone Intu Properties Limited	4.45	5.52	-	-	-	-
<b>Loan repaid (including TDS)</b>						
Prozone Intu Properties Limited	108.76	2.99	-	-	-	-
Empire Mall Private Limited	-	-	1,819.70	13.06	-	-





# Hagwood Commercial Developers Private Limited

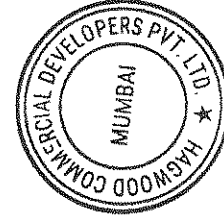
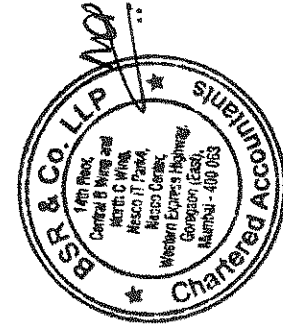
## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

Note 34 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

### Balances payable/outstanding at the year end

	Ultimate Holding Company		Fellow Subsidiary Company		Directors sitting fees	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Directors sitting fees						
Hetal Hakani	-	-	-	-	-	(0.23)
Deepa Hakani	-	-	-	-	-	(0.25)
Purchase of services						
Prozone Intu Properties Limited	51.67	112.63	-	-	-	-
Corporate Guarantees given on behalf of company						
Prozone Intu Properties Limited	1,813.37	1,802.12	-	-	-	-
Loan taken (net of repaid)						
Prozone Intu Properties Limited	3,749.21	869.34	-	-	-	-
Empire Mall Private Limited	-	-	3,387.41	4,340.62	-	-



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 35 : Expenditure on Corporate Social Responsibility (CSR) activities

Particulars	31 March 2022	31 March 2021
Amount required to be spent by the company during the year	0.00	0.00
Amount of expenditure incurred	0.00	7.94
Shortfall at the end of the year	0.00	0.00
Total of previous year shortfall	0.00	0.00
Short fall at the end of year	0.00	0.00
Reason for shortfall	NA	NA
Nature of CSR Activities	NA	NA
Provision movement	31 March 2022	31 March 2021
Opening provision	0.00	0.00
provision created during the year	0.00	7.94
amount paid/incurred	0.00	7.94
closing provision	0.00	0.00

### Note 36 : Segment Reporting as required under Indian Accounting Standard 108, "Operating Segments" :

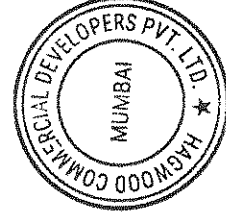
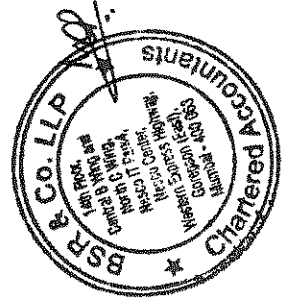
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. "designing, developing, owning and operating residential and commercial premises", hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

### Note 37 : Disclosure with regards to section 186 (4) of the Companies Act, 2013

- For investment refer note no. 6 and 12
- For loans given: Nil (31 March 2021 : Nil)

Note:

The Company has not provided interest in current year and previous year as said loans and advances are written off during previous year the year.



**Notes to the financial statements (Continued)**  
as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

**Note 38 : Financial instruments – Fair values and risk management**

**Accounting classification and fair values**

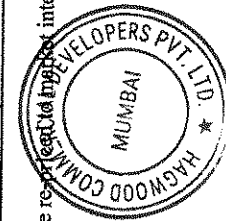
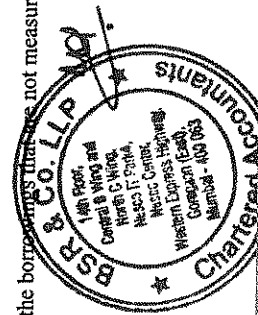
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets

31 March 2022	Note	Carrying amount		Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
<b>Financial assets</b>							
Investments	6 & 12	42.48	4,409.63	-	-	42.48	4,409.63
Others financial assets	7 & 15	-	-	105.66	-	-	-
Cash and cash equivalents	13	-	-	74.74	-	-	-
Loan	14	-	-	2.83	-	-	-
		42.48	4,409.63	183.23			
<b>Financial liabilities</b>							
Borrowings	18 & 20	-	-	8,909.99	-	1,773.37	-
Trade payables	21	-	-	1,364.48	-	-	-
Other financial liabilities	22	-	-	698.57	-	-	-
		-	-	10,973.04			
							4,452.11
							1,773.37
							-

31 March 2021	Note	Carrying amount		Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
<b>Financial assets</b>							
Investments	6 & 12	-	3,570.38	-	-	-	3,570.38
Others financial assets	7 & 15	-	-	102.02	-	-	-
Cash and cash equivalents	13	-	-	9.31	-	-	-
Loan	14	-	-	3.25	-	-	-
		-	3,570.38	114.58			
<b>Financial liabilities</b>							
Borrowings	18 & 20	-	-	6,972.08	-	1,762.12	-
Trade payables	21	-	-	2,081.36	-	-	-
Other financial liabilities	22	-	-	723.46	-	-	-
		-	-	9,776.90			
							3,570.38
							1,762.12
							-

**Footnote:**

The carrying amounts of the borrowings that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to reflect interest rates on or near the end of



(Currency : Indian Rupees in Lakhs)

**Note 38 : Financial instruments – Fair values and risk management**

## Accounting classification and fair values

### B) Measurement of fair values

### Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, categorized by the valuation techniques and significant unobservable inputs used.

**i) Financial instruments measured at amortised cost**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Borrowings	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable
Other financial liabilities- (current maturities of long-term debt)	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

ii) Financial instruments measured at fair value through profit or loss

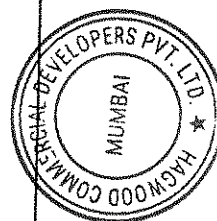
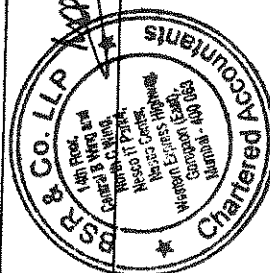
Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuer of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which	Not applicable	Not applicable

(ii) Financial instruments measured at fair value through Other Comprehensive Income

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
investment in preference shares	The fair value of investment has been determined by external, independent property valuer, having appropriate recognised professional qualifications and relevant experience the field.	Not applicable	Not applicable

ii) Financial instruments measured at fair value through profit or loss

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair values of investments in mutual fund units is based on	Not applicable	Not applicable



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 38 : Financial instruments – Fair values and risk management (continued) :

#### B) Financial risk management

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

- credit risk ;
- liquidity risk ; and
- market risk
- other 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 Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits 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.

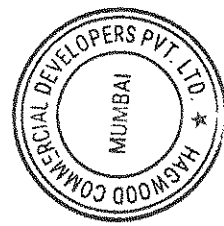
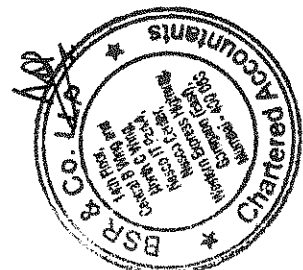
The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit.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

#### a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

#### Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular follow up, engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings. The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum. The Company also takes security deposits, advances, post dated cheques etc from its customers, which mitigate the credit risk to an extent.



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 38 : Financial instruments – Fair values and risk management (continued) :

#### B) Financial risk management

##### Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs. 74.74 lakhs and Rs 9.31 lakhs as at 31 March 2022 and 31 March 2021 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

##### Exposure to credit risk

The allowance for impairment in respect of trade receivables during the year was Rs Nil ( 2021: Rs Nil)

The allowance for impairment in respect of loans and other financial assets during the year was Rs Nil ( 2021: Rs Nil)

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31 March 2022 and 31 March 2021 is as follows:

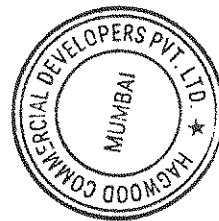
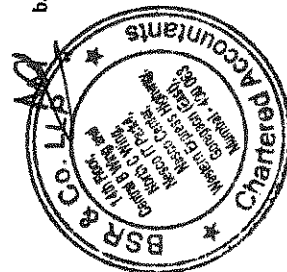
Particulars	31 March 2022	31 March 2021
Financial assets for which loss allowances are measured using 12 months Expected Credit Losses (ECL) :		
Loans and Other financial assets	412.00	412.00

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 1 April 2020	412.00
Impairment loss recognised	-
Amount written off during the year	-
Balance as at 31 March 2021	412.00
Impairment loss recognised	-
Amount written off during the year	-
Balance as at 31 March 2022	412.00

#### b. Liquidity risk

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





# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 38 : Financial instruments – Fair values and risk management (continued) :

#### B) Financial risk management

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

Particulars	31 March 2022	31 March 2021
Fixed-rate instruments:		
Financial asset (Bank deposits)	21.90	21.21
Financial liabilities (Borrowings)	(7,136.62)	(5,209.96)
	(7,114.72)	(5,188.75)
Variable-rate instruments:		
Financial liabilities (Borrowings)	(1,773.37)	(1,762.12)

#### Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

#### Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	31 March 2022	31 March 2021
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	8.87	8.81
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	8.87	8.81

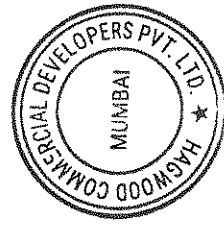
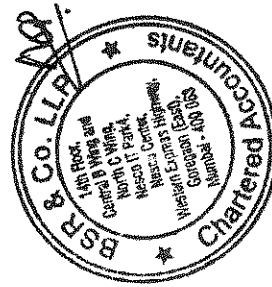
The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

#### Foreign currency risk

The Company has negligible exposure to currency risk since almost all the transactions of the Company are denominated in Indian Rupees.

#### Commodity and Other price risk

The Company is not exposed to the commodity and other price risk.





# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 38 : Financial Instruments – Fair values and risk management (continued) :

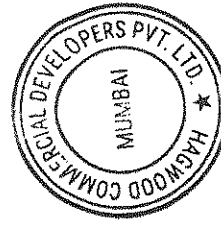
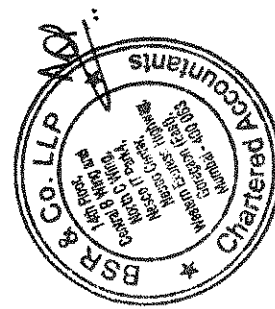
#### B) Financial risk management

##### d. Other risk - On account of covid

In March 2020, World Health Organization has declared COVID 19 a pandemic. Consequent to this, Government of India declared lockdown on March 23, 2020. This has resulted in disruption to regular business operations due to disruptions in transportation, quarantines, social distancing and other emergency measures imposed by the government. The company believes that the COVID 19 pandemic will only have a short to medium term impact on its operations and post easing of the lockdown, the business is expected to be normal gradually in 9-12 months.

The company has taken various measures to reduce its fixed cost for example, salary reductions, optimization of administrative costs etc. The company management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets (including property, plant and equipment, investment property, capital work in progress, investments, loans etc. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of company and expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2022, are fully recoverable.

The management has also estimated the future cash flows with the possible effects that may result from the COVID-19 and does not foresee any adverse impact on realizing its assets and in meeting its liabilities as and when they fall due. The company will continue to closely monitor any material changes to future economic



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 39 : Capital Management

The Company manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-a-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2022. The Company calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As of balance sheet date, leverage ratios is as follows:

Particulars	31 March 2022	31 March 2021
Total debt (Refer note 18 and 20)	8,909.99	6,972.08
Less: cash and bank balances (Refer note 13)	74.74	9.31
Adjusted net debt	8,835.25	6,962.77
Total equity	21,165.10	20,616.49
Adjusted net debt to adjusted equity ratio (times)	0.42	0.34

### Note 40 : IND AS 115 - Revenue from Contracts with Customers

a) The Company is engaged in the business of developing, owning and operating of shopping malls, commercial and residential premises.

Ind AS 115 Revenue from contracts with customer has been notified by Ministry of Corporate Affairs (MCA) on 28 March 2018 and is effective from accounting period beginning on or after 1 April 2018, replace existing revenue recognition standard. The application of Ind AS 115 has impacted the Company's accounting for recognition of revenue from real estate projects in SPV's.

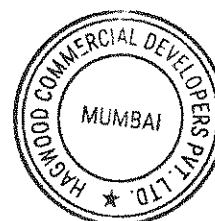
b) Disaggregation of revenue from contracts with customers

The Company believes that Revenue from operations best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors.

c) Reconciliation of contract assets and contract liabilities and its significant changes

Particulars	31 March 2022	31 March 2021
<b>Due from contract customers (contract assets)</b>		
At the beginning of the reporting period	-	-
Cumulative catch up adjustments to revenue affecting contract asset	-	-
At the end of the reporting period	-	-
<b>Advance from contract customers (contract liability)</b>		
At the beginning of the reporting period	22,374.15	19,951.45
Cumulative catch up adjustments to revenue affecting contract liability	-	-
Additional advances received (net of refund)	(124.95)	54.36
Significant financing component	1,877.72	2,368.34
At the end of the reporting period	24,126.92	22,374.15

The amount of Rs Nil lakhs recognised in contract liabilities at the beginning of the year has been recognised as revenue during the year ended 31 March 2022.



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### d) Performance obligation

The Company is engaged in the business of developing, owning and operating of shopping malls, commercial and residential premises.

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

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

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

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

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

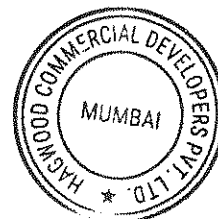
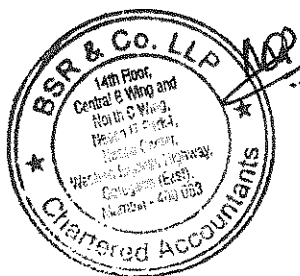
### e) Transaction price allocated to remaining performance obligation

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at 31 March 2022 is INR 15,432.13 lakhs (March 31 2021 is INR 15,426.55 lakhs), which will be recognised as revenue over a period of 1-2 years.

The Company applies practical expedient of Ind AS 115 and does not disclose information about the amount of the transaction price allocated to the remaining performance obligation and an explanation of when the entity expects to recognise that amount as revenue for all reporting periods presented before the date of initial application.

### Note 41 : Note on regrouping and Reclassifications

Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 as per latest amendments dated 24 March 2021.



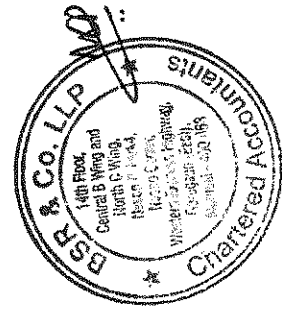
# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 42: Disclosure of Ratio

Particulars	Numerator	Denominator	Current Period	Previous Period	% Variance	Remarks
(a) Current Ratio	Current Asset	Current Liability	1.03	1.05	-2%	
(b) Debt-Equity Ratio	Total Debt	Equity	0.42	0.34	24%	
(c) Debt Service Coverage Ratio	Earning before interest, depreciation and tax	Interest+Principal Repayment	(3.11)	(0.87)	259%	Negative due to non recognition of revenue as per Ind AS 115
(d) Return on Equity Ratio	Net profit	Equity share capital	(0.06)	(0.25)	-75%	Negative due to non recognition of revenue as per Ind AS 115
(e) Inventory turnover ratio	Revenue from operation	Average Inventory	NA	NA	NA	NA since revenue is not recognised as per Ind AS 115
(f) Trade Receivables turnover ratio	Revenue from operation	Average trade receivable	NA	NA	NA	NA since revenue is not recognised as per Ind AS 115
(g) Trade payables turnover ratio	Purchase	Average trade payable	NA	NA	NA	NA since revenue is not recognised as per Ind AS 115
(h) Net capital turnover ratio	Revenue from operation	Equity	NA	NA	NA	NA since revenue is not recognised as per Ind AS 115
(i) Net profit ratio	Net profit after tax	Revenue from operations	NA	NA	NA	NA since revenue is not recognised as per Ind AS 115
(j) Return on Capital employed	Earning before interest, depreciation and tax	Total Assets-current Liabilities	(0.01)	(0.01)	-10%	Negative due to non recognition of revenue as per Ind AS 115
(k) Return on investment	Income generated from investment	Average Investment	12%	NA	NA	NA in previous year as no such investments



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 43 : Airport Authority of India matter

Airport Authority of India, Nagpur ('AAIN') had arbitrarily cancelled maximum permissible height No Objection certificate ('NOC') issued to the Company for its residential project in Nagpur in August 2017. The Company had followed due process as per rules and regulations and obtained the NOC in February 2012. The Company is contesting the case against AAIN for cancellation order issued by AAIN and revalidation of the NOC.

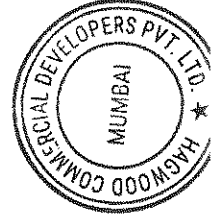
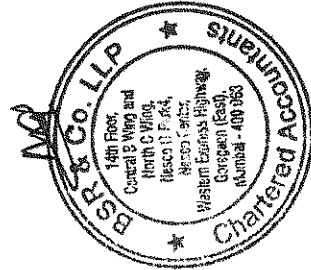
Further, the Appellate Committee of Ministry of Civil Aviation, without due consideration of complete facts had rejected the appeal of the Company in this matter and instructed the Airport operator, Mihan India Private Limited to initiate action as per Aircraft (Demolition of Obstructions caused by buildings and tree, etc.) Rules, 1994. The Company conducted an independent aeronautical study through ex-AAI official and VHF Omni directional Radio Range (VOR) (an aircraft navigation system) analysis and assessment study from a reputed aviation consultant, the reports of which cleared the buildings from being a major obstacle to the flight path. Information received by the Company through the RTI from MIHAN & AAI also suggests that there is no complaints from the pilots / airlines with respect to the four towers of the Company creating any obstruction to safe flight operations. The Company had filed a writ petition in the Honourable High Court of Bombay (Nagpur Bench) for revocation of demolition order of Appellate Committee and restoration of the aviation NOC. Based on the interim order, the Honourable High Court of Bombay (Nagpur Bench) had stayed the demolition order and further proceedings were in progress. However the application is withdrawn on 22 June 2021 in light of the recent Order passed by Airport Authority of India dated 13.04.2021 passed in Case MM 268 of 2014 and has permitted to increase the height for construction of towers from existing 49.26 meters to 57.00 metres based on the study carried out in pursuance of the directions given by High Court of Kerala in its Judgment dated 22.09.2019. The Court has allowed the Company to withdraw the petition with liberty to file again if need arises. Since the facts and circumstances of the said case are similar to that of the Company, the Company has approached the competent Airport Authorities i.e. the Appellate Committee at New Delhi on 4 October 21 requesting them to conduct aeronautical study and DVOR simulation study in order to seek a resolution outside Court to determine the permissible top elevation in respect of four towers in accordance to the rules prescribed in section 6.3.1.5 of Circular 5 of 2020 "Aeronautical Study Guidelines". The Company has sent reminders to the authorities in December 21 and January 2022. The decision/ reply of the Appellate Committee is awaited in this regard.

Based on independent aeronautical survey report obtained by the Company, the obstacle limitation study report conducted by AAIN, legal opinion obtained by the Company and merits of the case, management believes the chances of revalidation of NOC are high and accordingly, no adjustments have been made, in respect of any write down in the carrying value of inventories aggregating to Rs 30,043.37 lakhs, and provision towards expected demolition cost and interest payable to customers on cancellation of bookings, in the consolidated financial statements as at and for the year ended 31 March 2022. The Company has applied for part Occupancy certificate at Nagpure Municipal Corporation (NMC). NMC has asked for compilation of documents along with bank guarantee which is under process.

### Note 44: Note on ultimate beneficiary

During the year company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) in any persons or entities, including foreign entities ("Funding Parties") with instruction in writing or otherwise for further lending, investing or providing guarantee directly or indirectly to any persons or entities or on behalf of its Ultimate Beneficiaries

During the year company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with instruction in writing or otherwise for further lending, investing or providing guarantee directly or indirectly to any persons or entities or on behalf of its Ultimate Beneficiaries



# Hagwood Commercial Developers Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency : Indian Rupees in Lakhs)

### Note 45 : Other Statutory Information:

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property,
- (ii) The Company does not have any transactions with companies struck off,
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year,
- (v) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### Note 46 : Comparatives:

Previous year numbers have been regrouped/reclassified wherever considered necessary, to confirm with current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from 1 April 2021.

### Note 47 : Subsequent events:

There are no subsequent events that have occurred after the reporting period till the date of this financial statements

### As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

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

*Mansi Pardiwalla*

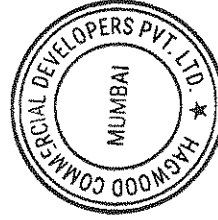
Mansi Pardiwalla

Partner

Membership No: 108511

Place : Mumbai

Date : 28 May 2022



For and on behalf of the Board of Directors of  
Hagwood Commercial Developers Private Limited

CIN : U45201MH2006PTC164110

*Sudhanshu Chaturvedi*

Director

DIN 05151360

*Dipa Hakani*

Director

DIN 07155347

Place : Mumbai

Date : 28 May 2022