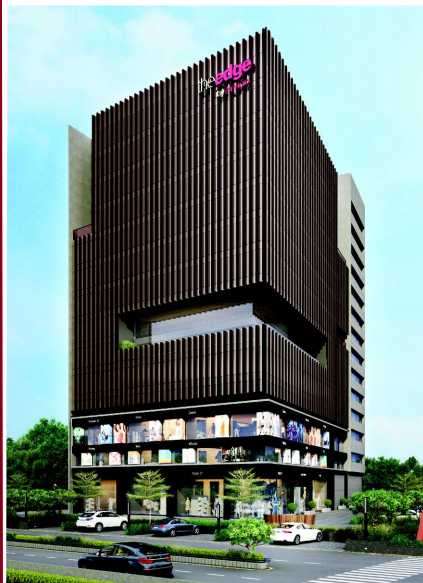


12th ANNUAL REPORT

2019 – 2020

ARVIND SMARTSPACES

Building Pride. Building Joy.



Board of Directors

Mr. Sanjay S. Lalbhai	: Chairman & Non-Executive Director
Mr. Kamal Singal	: Managing Director & CEO
Mr. Kulin S. Lalbhai	: Non-Executive Director
Mr. Pratul Shroff	: Independent Director
Mr. Prem Prakash Pangotra	: Independent Director
Mr. Nirav Shah	: Independent Director
Ms. Pallavi Vyas	: Independent Director

Audit Committee

Mr. Pratul Shroff	: Chairman
Mr. Prem Prakash Pangotra	: Member
Mr. Nirav Shah	: Member
Mr. Kamal Singal	: Member

Stakeholders Relationship Committee

Mr. Sanjay S. Lalbhai	: Chairman
Mr. Prem Prakash Pangotra	: Member
Mr. Pratul Shroff	: Member
Mr. Kamal Singal	: Member

Nomination & Remuneration Committee

Mr. Prem Prakash Pangotra	: Chairman
Mr. Pratul Shroff	: Member
Mr. Sanjay S. Lalbhai	: Member

Corporate Social Responsibility Committee

Mr. Sanjay S. Lalbhai	: Chairman
Mr. Prem Prakash Pangotra	: Member
Ms. Pallavi Vyas	: Member
Mr. Kamal Singal	: Member

Management Committee

Mr. Sanjay S. Lalbhai	: Chairman
Mr. Kamal Singal	: Managing Director & CEO
Mr. Kulin S. Lalbhai	: Non-Executive Director

Key Managerial Personnel

Mr. Mehul Shah	: Chief Financial Officer
Mr. Prakash Makwana	: Company Secretary

CONTENTS

Message from MD & CEO	01
Notice	03
Directors' Report	17
Corporate Governance Report	44
Management Discussion and Analysis	62
Business Responsibility Report	71
Standalone Financial Statements.....	79
Consolidated Financial Statements	124

Registered Office

Arvind SmartSpaces Limited
CIN: L45201GJ2008PLC055771
24, Government Servant's Society,
Nr. Municipal Market, Off C.G. Road, Navrangpura,
Ahmedabad - 380009. Phone No. 079-6826 7000
Fax : 079 - 6826 7021
Email: investor@arvindinfra.com
Website: www.arvindsmartspace.com

Auditors

M/s. S R B C Co & LLP,
21st Floor, B Wing, Privilon,
Ambli BRT Road, B/h. Iskon Temple,
Off S. G. Highway, Ahmedabad-380059, India.

Registrar And Transfer Agent

Link Intime India Private Limited,
506-508, Amarnath Business Centre-1 (abc-1),
Beside Gala Business Centre, Near St. Xavier's College Corner,
Off C G Road, Ellisbridge, Ahmedabad 380006.
Phone & Fax No. 079-26465179/86/87
E-mail id : ahmedabad@linkintime.co.in, Website : www.linkintime.co.in



Message from MD & CEO

Dear Shareholders,

On behalf of Arvind SmartSpaces Limited, I sincerely thank you for your continued support. It has now been a decade since our independent journey in real estate started and for me it has been incredibly humbling to serve you all.

Key trends in the industry

The year 2019-20 was characterized by global economic slowdown accompanied by slowdown in India's economic growth as well. Indian real estate sector has been going through turbulent times over the last few years owing to the structural reforms initiated by government such as demonetization, RERA, GST and IBC. While these reforms have brought about much needed transparency and accountability in the sector and will prove to be beneficial for the overall health of the sector in the long run, these had brought about challenges in the near term. The real estate sector was seemingly coming out of these challenges in 2019 with marginal increase in y-o-y sales bookings across top 7 cities during the year. Sales of residential units across the top seven cities grew marginally by 1% in 2019 on y-o-y basis. Launches on the other hand, grew by 23% in 2019 over the last year.

Developers continued to focus on affordable and mid-market segment with both sales and launches exhibiting a strong orientation towards affordable and mid-market segments. The industry also continued to see demand consolidating in the sector.

The year 2019-20 also saw brisk activity on the investment side with institutional investment in real estate sector going down by 13% y-o-y. The decline in investment was mainly due to the sharp decline

in investments during the January – March 2020 period, when the pandemic started to spread across the globe.

However, the year ended in a grim note with an unprecedented pandemic induced by Covid-19 which brought all economic activities to a grinding halt in the last month of the financial year.

Performance highlights

I am happy to report that the 2019-20 fiscal, despite all the challenges mentioned above, your Company continued to do quite well. The same is indicated in our overall sales performance for the financial year 2019-20 where we have achieved a pre-sale of Rs. 286 cores, an increase of 3% over the previous year. Your Company has already delivered ten projects of around 4.2 million sq. ft. and have other nine projects totalling 14.7 million sq. ft. under various stages of development which would be completed over the next 3-4 years.

You will be happy to know that during this year, we did a strategic platform deal with HDFC Capital Advisors Limited, a wholly owned subsidiary of HDFC Ltd. and one of the most respected real estate private equity firms in India. The platform will focus on the development of affordable and mid-income housing projects in India. The proposed developments will be undertaken by a special purpose vehicle “Arvind Homes Private Limited” with proposed investment of Rs. 250 crores between the partners. The strategic platform not only de-bottlenecks capitalization at the Company, it also has enough flexibility inbuilt to ensure that long-term patient capital is made available to the business without putting undue pressures on its balance-sheet to take care of short and medium business cycles.

Message from MD & CEO

Another significant achievement during the year was a successful launch of our new 130 acres villa development named Forrester in Ahmedabad. This project is being executed by the Company on Development Management model. We saw an excellent response in the project with entire phase 1 inventory worth more than Rs. 100 crore being sold out within 2 weeks of launch.

Let me now talk about the strategic priorities that we will focus on, going forward:

1. **Maintain conservatism in financial leverage:**

Our strategy of being conservative in financial leveraging has worked well for us. Especially in the last 2 years, when many real estate companies struggled to manage its cash flow due to first the liquidity crunch and then the Covid pandemic, your company has been able to manage its cash flows well. This has also helped in keeping its cost of debt at very healthy levels.

2. **Optimize operational costs:**

We have initiated a strong cost optimization program and relooking at all our operational costs threadbare. Some of the key initiative being undertaken include taking up some of the design and construction activities by in-house teams, strict monitoring and optimization of utility expenses, reducing overhead expenses.

3. **Customer centric:**

We continue to remain focussed on product design and innovations. For enhanced customer experience, we continue to partner with best in class agencies for Architecture, Landscaping and designs. The company ensures on-time delivery of the projects with benchmark in cost efficiencies. Value for money for the customer continues to remain and important pillar of our overall strategy.

4. **Pick up on new land acquisition in H2 FY 21:**

Due to Covid and lockdown, not much acquisition activity could be undertaken in the first half of FY 21. However, we remain strong in our intent to scale up our business and intend to pick up on new land acquisition in the 2nd half of the financial year.

5. **Push on LTVC (long term value creation) projects:**

We intend to develop more projects like Forrester which are land oriented, can deliver value over long term and require less upfront capital investment. In addition to launching new phases in Forrester, we have plans to launch another large scale plotting project in Ahmedabad during this financial year.

While the immediate challenges driven by the pandemic and economic slowdown are evident, we remain hopeful on the outlook for the real estate industry. Activity levels in the mid-market segment and land oriented developments have already started showing of improvements. We expect demand to rebound strongly in the next few quarters driven by improved affordability, lower interest rates, growing interest from NRI segment due to currency depreciation and increased preference of people to buy instead of rent. The trend of consolidation in the industry will further accelerate and reputed players with strong balance sheet are likely to gain disproportionately from this phase. Backed by the strong brand name of "Arvind", the credibility achieved through already delivered projects, strong balance sheet and nimble approach to managing our business, we are well poised to take advantage of the next phase of growth in the sector. I am positive that you will share my optimism and enthusiasm as we take next step forward in this exciting journey.

With warm regards

Kamal Singal

MD & CEO

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of the Company will be held on Tuesday, 29th September, 2020 at 11.00 a.m. through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) (“hereinafter referred to as “electronic mode”) to transact the following Business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Standalone Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2020 and the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr. Sanjay S. Lalbhai (DIN: 00008329), who retires by rotation in terms of Article 187 of the Articles of Association of the Company and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 85,000/- (Rupees Eighty Five Thousand Only) plus applicable taxes and re-imbursment of out of pocket expenses incurred in connection with the audit, payable to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad having Firm Registration No. 000025 appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2021 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Pallavi Vyas (DIN: 08521883), who was appointed as an

Additional Director in the category of Independent Director of the Company by the Board of Directors with effect from 5th August, 2019, who holds office until the date of the ensuing Annual General Meeting and relating to whom the Company has received a Notice under Section 160 of the Act signifying the intention of proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 4th August, 2024 and that her office as Independent Director shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

- To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Pratul Shroff (DIN: 00162576), who was appointed as an Independent Director up to 27th March, 2020 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years upto 28th March, 2025 on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

- To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory

modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Prem Prakash Pangotra (DIN: 00844391), who was appointed as an Independent Director up to 27th March, 2020 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years upto 28th March, 2025 on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 (“Companies Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V to the Companies Act and any other circulars, orders and notifications in this regards issued by Ministry of Corporate Affairs including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015, the consent of the members of the Company, be and is hereby accorded for re-appointment of Mr. Kamal Singal (DIN: 02524196) as Managing Director and Chief Executive Officer (“MD & CEO”) of the Company, for a further period of 5 (five) years with effect from 1st June, 2020 upto 31st May 2025 upon the terms and conditions of appointment and be paid remuneration by way of salary, perquisites, benefits and allowances, performance incentive, commission etc. as detailed in the Explanatory Statement annexed to this notice, pursuant to Section 102(1) of the Companies Act.

RESOLVED FURTHER THAT, the overall managerial remuneration payable to Mr. Kamal Singal shall be such amount as may be fixed by the Board of Directors from time to time on recommendation of the Nomination and Remuneration Committee (“NRC”) but not exceeding the Maximum Remuneration as detailed in the Explanatory Statement at any point of time, which may or may not exceed 11% (eleven per cent) of net profits of the Company and that the Board and NRC be and are hereby severally authorized to alter, vary or increase the remuneration of Mr. Kamal Singal, within the Maximum Remuneration in such manner as may be required during aforesaid period of 5 (five) years.

RESOLVED FURTHER THAT in the event, if the Company has no profits or its profits are inadequate in any financial year, during the currency of the term of Mr. Kamal Singal, consent of the members of the Company be and is hereby accorded for payment of managerial remuneration as detailed under Minimum Remuneration in the Explanatory Statement annexed hereto and as laid down in Part II of Section II (A) of Schedule V to the Companies Act as applicable to the Company, in compliance with provisions stipulated therein and that the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the Minimum Remuneration payable from time to time based on the recommendations of the NRC.

RESOLVED FURTHER THAT the Board of Directors or any other committee of Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approvals/ sanctions of any authorities/ agencies as may be applicable and to settle any question or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution.”

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to provisions of Sections 197 and 198 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and subject to all approvals, permissions and sanctions as may be necessary, the consent of the Company be and is hereby accorded for the payment of commission to the Director(s) of the Company who is / are neither in the wholetime employment nor managing director(s), in accordance with and up to the limits not exceeding 1% (one per cent) as laid down under the provisions of Section 197 of the Act, computed in the manner specified in the Act, and be paid to the Directors of the Company or some or any of them [other than the Managing Director and Wholetime Director(s)], for a period of 5 (five) years from 1st April, 2020 to 31st March, 2025 in such manner and up to such amount within the above limit as the Board and/or Committee of the Board may, from time to time, determine.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or Committee constituted by the Board be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

Registered Office:
24, Government Servant’s Society,
Near Municipal Market,
Off C.G. Road, Navrangpura,
Ahmedabad - 380009
Date: 25th June, 2020

By Order of the Board

Prakash Makwana
Company Secretary

Notes

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 20 dated 5th May, 2020 read with Circular No. 14 dated 8th April, 2020 and Circular No. 17 dated 13th April, 2020 (hereinafter collectively referred to as “MCA Circulars”) permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM. The deemed venue for the Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained at Note No. 19 below.
2. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 12th May, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company’s website www.arvindsmartspaces.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination cum Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
7. **Registration of email ID and Bank Account details:**
In case the shareholder’s email ID is already registered with the Company/ its Registrar & Share Transfer Agent “RTA”/ Depositories, log in details for e-Voting are being sent on the registered email address.
In case the shareholder has not registered his/ her/ their email address with the Company/ its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:
(i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/ Bank detail Registration - fill in the details and upload the required documents and submit.
OR
(ii) **In the case of Shares held in Demat mode:**
The shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
8. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 3 to 8 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item Nos. 4, 5, 6 and 7 of the Notice, are also annexed.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2020 till Tuesday, 29th September, 2020 (both days inclusive).
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company’s Registrars and Transfer Agents, Link Intime India Pvt. Ltd. in case the shares are held by them in physical form.
SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Pvt. Ltd.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Link Intime India Pvt. Ltd. for assistance in this regard.

12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime India Pvt. Ltd., the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the AGM.
14. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/ Link Intime India Pvt. Ltd.
15. All documents referred to in the accompanying Notice of the AGM and explanatory statement shall be open for inspection without any fee at the registered office of the Company during normal business hours on any working day upto and including the date of the AGM of the Company.
16. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
17. Since the AGM will be held through VC/OAVM, the Route Map is not annexed with Notice.
18. **Instructions for voting through electronic means (e-Voting):**
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
 - II. The Company has engaged the services of NSDL as the Agency to provide remote e-Voting facility and e-Voting during the AGM.
 - III. Mr. Hitesh Buch, Practicing Company Secretary (Membership No. FCS 3145, COP 8195) has been appointed as the Scrutinizer to scrutinize the e-Voting during the AGM and remote e-Voting in a fair and transparent manner.
 - IV. The Results of voting will be declared within 48 hours from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted with the Stock Exchanges where the Company's equity shares are listed (BSE Limited & National Stock Exchange of India Limited) and shall also be displayed on the Company's website www.arvindsmartspaces.com and NSDL's website www.evoting.nsdl.com.
 - V. Voting rights of the Members for voting through remote e-Voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 22nd September, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-Voting and voting during the AGM.
- VI. The remote e-Voting facility will be available during the following period:
 - a. Commencement of remote e-Voting: 09:00 A.M. (IST) on Saturday, 26th September, 2020.
 - b. End of remote e-Voting: 05:00 P.M. (IST) on Monday, 28th September, 2020.
 - c. The remote e-Voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be disabled by NSDL upon expiry of aforesaid period.
- VII. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
- VIII. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- IX. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in mentioning their demat account number/ folio number, PAN, name and registered address. However, if he/ she is already registered with NSDL for remote e-Voting then he/ she can use his/ her existing User ID and password for casting the vote.
- X. **Process and manner for Remote e-Voting:**
Members are requested to follow the below instructions to cast their vote through e-Voting:
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:
Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
Step 2: Cast your vote electronically on NSDL e-Voting system
Details on Step 1 are mentioned below:
How to Log-into NSDL e-Voting website?
 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pcs.buchassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

In case you have not registered your e-mail address with the Company/Depository, please follow below instructions for registration of e-mail address for obtaining Annual Report and / or login details for e-voting

Physical Holding	Visit the link: https://linkintime.co.in/EmailReg/email_register.html and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail address.
Demat Holding	Please contact your Depository Participant (DP) and register your e-mail address in your demat account as per the process advised by your DP.

19. Instructions for Members to attend the AGM through VC/OAVM:

- I. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-Voting login credentials and selecting the EVEN for Company's AGM.
Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-Voting system of NSDL.
- II. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. Further, an additional time of 15 minutes after the commencement of the meeting shall also be provided for joining the meeting.
- III. Members are encouraged to join the Meeting through Laptops for better experience.
- IV. Members will be required to allow Camera and use Internet

with a good speed to avoid any disturbance during the meeting.

- V. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- VI. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990.
- VII. Members seeking any information with regard to the annual accounts for 2019-20 or any business to be dealt at the AGM, are requested to send an e-mail on investor@arvindinfra.com on or before 25th September, 2020 along with their name, DP ID and Client ID/ folio number, PAN and mobile number. The same will be replied by the Company suitably.
- VIII. Further, members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/ Folio Number, PAN and mobile number at investor@arvindinfra.com on or before 25th September, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Registered Office:
24, Government Servant's Society,
Near Municipal Market,
Off C.G. Road, Navrangpura,
Ahmedabad - 380009
Date: 25th June, 2020

By Order of the Board

Prakash Makwana
Company Secretary

EXPLANATORY STATEMENT OF MATERIAL FACTS ANNEXED TO THE NOTICE [PURSUANT TO THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013:**Item No. 3**

The Board of Directors at its Meeting held on 25th June, 2020, upon the recommendation of the Audit Committee, approved the appointment of M/s Kiran J. Mehta & Co., Cost Accountants (Firm Registration Number 000025), to conduct the audit of the cost records of the Company on a remuneration of ₹ 85,000/- (Rupees Eighty Five Thousand Only) plus applicable taxes and re-imbursalment of out of pocket expenses to be incurred in connection with the audit for the financial year ending 31st March, 2021.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

Item No. 4

Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of members of the Company, Ms. Pallavi Vyas (DIN: 08521883), who was appointed as an Additional Director in the category of Independent Director of the Company by the Board of Directors with effect from 5th August, 2019, who holds office for 5 (five) consecutive years upto 4th August, 2024. A notice has been received from a member proposing Ms. Pallavi Vyas as a candidate for the office of the Director of the Company.

Ms. Pallavi Vyas holds PhD in Public Policy from the Harris School of Public Policy, University of Chicago. She also holds an MA in Economics from Bowling Green State University and a BA from Mumbai University. She is at present Associate Professor in Economics and Public Policy at Ahmedabad University. Her fields of interest are Labor Economics, Human Capital Theory, Public Health and Development Economics. In her dissertation, she studied the impact of changes in the female college wage premium and employment shocks on teen fertility behaviour in the U.S.

She is also a consultant to the World Bank where her projects involve calculating poverty rates for India using Survey to Survey Imputation methods, establishing the relationship between anthropometric

indicators for children and wealth measures and a labor market analysis for the Maldives. She is also a consultant to CPWR where she is evaluating medical costs to workers in the construction industry in the U.S. Between 1999 and 2008, Pallavi worked as an economist in economic litigation consulting at Economic Analysis / LECG, in Los Angeles. Her work included analysis in antitrust, securities, brand valuation and corporate labor cases. Prior to joining Economic Analysis/LECG, she worked at the Milken Institute in Santa Monica as a Research Analyst to the President on global economic issues.

She is not holding any equity shares of the Company and is not related to any Director of the Company.

In the opinion of the Board, Ms. Pallavi Vyas fulfils the conditions specified in the Act and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. A copy of the Letter of appointment of Ms. Pallavi Vyas as an Independent Director would be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 24th September, 2020 during normal business hours on any working day, excluding Sunday.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Pallavi Vyas as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Pallavi Vyas as an Independent Director, for the approval by the members of the Company.

Except Ms. Pallavi Vyas, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under SEBI Listing Regulations 2015.

Item No. 5

The members at Annual General Meeting held on 11th May, 2015 approved the appointment of Mr. Pratul Shroff as an Independent Director of the Company for a period of 5 (five) years upto 27th March, 2020. Now, the Board of Directors of the Company ("the Board") on 30th January, 2020, on the recommendation of the Nomination and Remuneration Committee, recommended the re-appointment of Mr. Pratul Shroff as an Independent Director of the Company with effect from 28th March, 2020 to the members in terms of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and his appointment shall not be subject to retire by rotation. A notice has been received in writing from a member proposing Mr. Pratul Shroff as a candidate for the office of Director of the Company.

The Board is of the view that the continued association of Mr. Pratul Shroff would benefit the Company, given the knowledge,

experience and performance of Mr. Pratul Shroff and the Board of Directors are also satisfied with the overall performance evaluation results of Mr. Pratul Shroff. Declaration has been received from Mr. Pratul Shroff that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr. Pratul Shroff fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Consent of the members by way of Special Resolution is required for re-appointment of Mr. Pratul Shroff, in terms of Section 149 of the Act.

Mr. Pratul Shroff and his relatives are interested in this Special Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution.

The Board recommends this Special Resolution for your approval.

Item No. 6

The members at Annual General Meeting held on 11th May, 2015 approved the appointment of Mr. Prem Prakash Pangotra as an Independent Director of the Company for a period of 5 (five) years upto 27th March, 2020. The Board of Directors of the Company ("the Board") on 27th February, 2020, on the recommendation of the Nomination and Remuneration Committee, recommended the re-appointment of Mr. Prem Prakash Pangotra as an Independent Director of the Company with effect from 28th March, 2020 to the members in terms of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and his appointment shall not be subject to retire by rotation. A notice has been received in writing from a member proposing Mr. Prem Prakash Pangotra as a candidate for the office of Director of the Company.

The Board is of the view that the continued association of Mr. Prem Prakash Pangotra would benefit the Company, given the knowledge, experience and performance of Mr. Prem Prakash Pangotra and the Board of Directors are also satisfied with the overall performance evaluation results of Mr. Prem Prakash Pangotra. Declaration has been received from Mr. Prem Prakash Pangotra that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr. Prem Prakash Pangotra fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent

of the management of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Consent of the members by way of Special Resolution is required for re-appointment of Mr. Prem Prakash Pangotra, in terms of Section 149 of the Act.

Mr. Prem Prakash Pangotra and his relatives are interested in this Special Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution.

The Board recommends this Special Resolution for your approval.

Item No. 7

The members of the Company had appointed Mr. Kamal Singal (DIN: 02524196) as Managing Director and Chief Executive Officer (MD & CEO) of the Company by passing Special resolution at its Annual General Meeting held on 11th May, 2015.

Mr. Singal, aged 48 years, is a Commerce Graduate from Maharshi Dayanand University; ICWAI - Intermediate from Institute of Cost and Works Accounts of India-Calcutta; Post Graduate Diploma in Management from All India Institute of Management-Delhi; Post Graduate Diploma in Computer Application from Kurukshetra University; MS of Computer Science from Guru Jambheshawar University, Hissar and Executive Post Graduate Diploma in Management from Indian Institute of Management, Indore and has more than 28 years of experience in different industries. He has been associated with Arvind Group since July 2001.

Based on the recommendation of the Nomination and Remuneration Committee ("NRC") and in view of the contributions made by him, it is proposed to re-appoint Mr. Singal as MD & CEO of the Company for a further period of 5 (five) years commencing from 1st June, 2020 on the below mentioned remuneration by way of salary, perquisites, benefits and allowances, performance incentive, etc.:

- A. Basic salary:** Rs. 5,15,000 (Rupees Five Lakhs Fifteen Thousand only) per month with authority to the Board of Directors to revise the basic salary from time to time taking into account the performance of the Company, subject however to a maximum of Rs. 10,00,000 (Rupees Ten Lakhs only) per month.
- B. Perquisites and Allowances:** In addition to the basic salary, the following perquisites / allowances shall be paid/allowed to the MD & CEO:

CATEGORY – A

- (i) **Housing:** The Company shall provide furnished accommodation to the MD & CEO. If the MD & CEO is having his own accommodation, the Company shall pay House Rent Allowance up to 40% of the Basic Salary.
- (ii) **Other Allowances:** The Company shall pay other allowances such as Performance Linked Variable Pay, Special Allowance, Role Award, etc. as per the Company's policy.

(iii) **Personal Accident Insurance:** The Company shall pay/ reimburse Personal Accident Insurance Premium up to Rs. 25,000/- (Rupees Twenty Five Thousand) for the MD & CEO.

(iv) **Club Fees:** The Company shall reimburse annual fees for a maximum of 2 clubs.

The aggregate value of perquisites for (i) to (iv) above for each year shall be computed as per the provisions of Income Tax Act, 1961. In case of benefits for which no specific rule of valuation is provided under the Income-tax Act, the perquisites value of such benefit shall be taken at actual cost.

(v) **Medical Reimbursement:** Medical Expenses actually incurred for self and family shall be reimbursed by the Company.

CATEGORY – B

(i) The Company shall contribute towards Provident Fund / Superannuation Fund / Annuity Fund / National Pension Fund provided that such contributions either singly or put together shall not exceed the tax-free limit prescribed under the Income-tax Act.

(ii) The Company shall pay Gratuity as per rules of the Company.

(iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

CATEGORY – C

(i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.

(ii) The Company shall provide telephone and other communication facilities at the residence of the MD & CEO at the entire cost of the Company.

C. Commission: The MD & CEO shall be entitled to Commission on profits or in any other form as NRC and the Board of Directors may determine from time to time subject to a maximum limit of 1% of Consolidated Profit Before Tax of the Company.

D. Entitlement to shares: Mr. Singal has been granted options under various Employees Stock Option Plans of the Company. Out of these, 4,23,729 (Four Lakhs Twenty Three Thousand Seven Hundred and Twenty Nine) stock options are pending to be exercised by Mr. Singal and may lead to salary in form of perquisite on exercise. Further options may also be granted by NRC, if Mr. Singal is found eligible under active Employees Stock Option Plan of the Company.

E. Maximum Remuneration: Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of office of the MD & CEO, if there is profit then the overall managerial remuneration payable to Mr. Kamal Singal shall be such amount as may be fixed by the Board of Directors from time to time on recommendation of the NRC, but not exceeding Rs. 6,00,00,000/- (Rupees Six Crores only) per annum at any point of time, excluding value of perquisite, if any, for entitlement to shares as per para D above, which may or may not exceed 11% (eleven per cent) of net profits of the Company as laid down in Section 197 read with Part II of Section I of Schedule V to the Companies Act, 2013.

F. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, in the event, if the Company has no profits or its profits are inadequate in any financial year, the Company will pay a minimum remuneration by way of salary, perquisites, benefits and allowances, performance incentive, etc. excluding value of perquisite, if any, for Entitlement to shares as per para D above, for a period not exceeding 3 (Three) years as per Part II of Section II (A) of Schedule V to the Companies Act, 2013 and rules made thereunder or any statutory modifications and / or re-enactment thereof as may be decided by the Board from time to time on recommendation of NRC.

The above mentioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company on recommendation of NRC as it may, in its discretion, deem fit, within the minimum and maximum amount as mentioned above as Managerial Remuneration in accordance with the provisions of the Companies Act, 2013 including those of Schedule V or any amendments thereto made hereafter in this regard.

If re-appointed, Mr. Singal will hold office for a term of 5 (five) years, which will end on 31st May 2025. Mr. Singal satisfies the conditions set out in Section 196(3) and Part 1 of Schedule V to the Companies Act, 2013. Mr. Singal has given his consent to act as MD & CEO of the Company. Further as per the declarations received by the Company, he is not disqualified under Section 164 of the Companies Act, 2013.

The Companies (Amendment) Act, 2017 brought changes in the provisions of Section 197 and Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by removing the requirement of Central Government approval for payment of remuneration in excess of limits set out in Section 197 and Schedule V of the Companies Act, 2013. The Companies Amendment Act, 2017 replaces the requirement of Central Government approval with the requirement of obtaining shareholders' approval through a special resolution and accordingly, the approval of the shareholders is being sought by way of a special resolution.

The NRC and the Board of Directors at their meetings held on 28th May, 2020 have recommended and approved the re-appointment and the remuneration payable to MD & CEO for a period not exceeding 5 (five) years.

Statement of Information for the members pursuant to Section II of Part II of Schedule V to the Companies Act:

I. GENERAL INFORMATION:

1. **Nature of industry:**

Real Estate development.

2. **Date or expected date of commencement of commercial production:**

The Company was incorporated on 26th December, 2008 and commenced business thereafter.

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

4. **Financial performance based on given indicators (As per audited financial statements for the year ended 31.03.2020):**

(₹ in Lacs)

Particulars	Standalone	Consolidated
Sales & Other Income	16194.46	30170.62
EBIDTA	4509.85	9099.62
Net Profit	1937.70	4114.08

On a consolidated basis, the Company has seen a topline growth of ~14% and bottom line growth of ~28%.

5. **Foreign investments or collaborations, if any:**

Nil

II. INFORMATION ABOUT THE APPOINTEE:

1. **Background details:**

Mr. Kamal Singal, MD & CEO is Commerce Graduate from Maharshi Dayanand University; ICWAI-Intermediate from Institute of Cost & Works Accounts of India-Calcutta; Post Graduate Diploma in Management from All India Institute of Management-Delhi; Post Graduate Diploma in Computer Application from Kurukshetra University; MS of Computer Science from Guru Jambheshawar University, Hissar and Executive Post Graduate Diploma in Management from Indian Institute of Management, Indore.

Mr. Kamal Singal, MD & CEO of the Company has more than 28 years of experience in the different industries as follows: (1) DCM Textiles during June 1992 to 1999, as Head-Planning & Systems responsible for Production Planning & Control, Financial Planning, Purchase-Materials Handling and MIS; (2) Arvind Limited during July 2001 to Nov 2006 Heading MIS team and also Head - Operations in Garment Exports division; (3) Arvind Brands Limited during 2006 to 2008 Heading Supply Chain Management and IT functions;

(4) Arvind Limited during August 2008 to Dec 2011 as CEO of Real Estate Division; (5) Arvind SmartSpaces Limited (then known as Arvind Infrastructure Limited) during Jan 2012 to May 2015 as CEO and thereafter as Managing Director and Chief Executive Officer, over all in charge of the affairs of the Company.

2. **Past remuneration:**

Mr. Kamal Singal has received following remuneration for FY 2019-20:

(₹ in Lacs)

Details of Remuneration	P.M.	P.A.
Basic Salary	5.15	61.80
Perquisites/ Personal Allowances (Including Performance Linked Variable Pay/Special Allowances/Role Awards)	18.36	220.27
Gross Salary	23.51	282.12
Retiral Benefits	0.86	10.32
Commission	-	30.60
Total	24.37	322.99

3. **Recognition or awards:**

Under the leadership of Mr. Singal, the Company has received several awards including following:

- Golden Brick Awards, Dubai, 2019**
Arvind Uplands – “Best Golf Course Architecture (National)”
- India News Gujarat First Conclave, 2019**
Best Real Estate Company Award from Hon’able CM Gujarat Shri Vijay Rupani
- Realty Plus conclave and excellence Awards, 2019**
Arvind Aavishkaar – Affordable Housing Project of the Year
- Prestigious Brands of Asia, Dubai, 2018**
Arvind Smartspaces Limited – Prestigious rising brands – Real Estate
- Realty Plus Award - June 2018**
Arvind Uplands - Design Project of the Year
- Gujarat Real Estate Awards – April 2018**
Arvind Uplands - Creating High Quality Lifestyle villas in Gujarat

4. **Job profile and his suitability:**

On the basis of background of Mr. Singal, education, experience of handling the real estate business of the Company independently since 2008, and the pivotal role

being played in the development of the Company, he has been appointed as MD & CEO and is in charge of overall management of the company subject to the direction, supervision and control of Board of Directors of the Company. He is responsible for providing strategic and leadership perspective to the Company's future business direction and to generate significant additional value for Members in the coming years.

5. Remuneration proposed:

The details of the proposed remuneration are detailed above under Para A to F.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The current remuneration being paid to the MD & CEO (looking at the profile of the position and responsibilities shouldered by person) is in line with the remuneration being paid by comparable companies. The Company has ambitious growth plans and will continue to attract, retain and reward the professionals with a remuneration in accordance with prevailing market conditions and industry bench mark.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Mr. Kamal Singal does not have any pecuniary relationship with the Company except the remuneration being paid to him as MD & CEO, as a shareholder to the extent of his shareholding directly / indirectly in the Company and as a partner in any of the subsidiaries or LLPs of the Company. He does not have any pecuniary relationship with managerial personnel of the Company. He is working as an independent professional and in an executive capacity, not related to Promoters / directors of the Company.

III. OTHER INFORMATION:

1. Reasons of loss or inadequate profits:

The Company has earned on a standalone basis, PAT of Rs. 29.78 Crores; Rs. 46.03 Crores and Rs. 19.38 Crores for the FY 2017-18; 2018-19 and 2019-20, respectively. The Company expects profits during the coming financial years as it has various projects in the pipeline. Further, with IND AS 115 – Revenue from Contracts with Customers, revenue can be recognized upon satisfaction of performance obligation either over a period of time or at a point of time depending upon transfer of control where various indicators are assessed including but not limited to

right of payment, receipt of project completion certificate, handover of possession of units to customers, risk and rewards of ownership etc. In case, the Company is not able to satisfy performance obligation or justify transfer of control in any projects during the financial year, the Company may not be able to recognize revenue and book profits even if the projects have progressed well as envisaged by the Company. Additionally, new projects execution may vary to be undertaken directly by the Company or through any of its subsidiary or any LLP or Joint Venture depending upon nature and strategic positioning of the Projects which may result in variation in book profits for the Company standalone without any impact on the consolidated financials. Accounting profits in such a situation, especially for a company in growth stage where multiple projects may be at various stages, the revenue and profits as reported may lag and not be adequate to pay remuneration to MD & CEO.

2. Steps taken or proposed to be taken for improvement:

The Company expects to maintain pace with the construction so that the desired construction milestones are achieved in order to recognize revenue and in turn book profits which are adequate for the purpose of remuneration payable to MD & CEO. In view of this, there are no specific steps required to be taken and/or proposed to be taken by the Company for improvement.

3. Expected increase in productivity and profits in measurable terms:

The Company is actively involved in entering into development of new projects to broaden its project pipeline and offering differentiated and value added products. However, the exact increase in revenue and impact of overall profitability on a standalone basis and consolidated basis due to these initiatives cannot be measured.

IV. DISCLOSURES:

The disclosures as required on all the elements of remuneration package such as salary, benefit, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, stock-option details, etc. have been made in the directors' report and corporate governance report attached to the financial statement of the Company.

The Board recommends the Resolution set out at Item No. 7 of the accompanying Notice as Special Resolution for the approval of the members.

Mr. Singal holds 6,41,015 equity shares of Rs. 10/- each in the Company as on 28th May, 2020. He is not related to any of the Directors of the Company. The directorships held by Mr. Singal are within the limits prescribed under Section 165 of the Companies Act and the Listing Regulations. The draft of Articles of Aggrement containing the terms and conditions of re-appointment of Mr. Singal as MD & CEO of the Company is available for inspection by members at the Registered Office of the Company on any working day during working hours. Mr. Singal is interested in the passing of this resolution by virtue of his directorship and to the extent of his shareholding in the Company.

None of the other Directors or Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this resolution.

Item No. 8

Currently, the Non-Executive Directors (other than the Managing Director, Wholetime Directors) are paid commission not exceeding 1% per annum of the net profits of the Company in terms of the resolution passed by the members at the Annual General Meeting held on 11th May, 2015 and as decided by the Board of Directors of the Company. The said approval is valid for a period of 5 (five) years from 1st April, 2015.

Section 197 of the Companies Act, 2013 permits the payment of remuneration to a Director who is neither a Wholetime Director, nor a Managing Director of a Company, by way of commission not exceeding 1%of the net profits of the Company, if the Company authorizes such payment by a Special Resolution at the General

Meeting of the Company. The Non-executive Directors including Nominee Directors are required to devote more time and attention to the Company, particularly in view of more responsibility expected of them through Corporate Governance Policies. The Board, therefore, recognizes the need to suitably remunerate the director(s) of the Company who are neither in the wholetime employment nor managing director(s) with commission up to a ceiling of 1% of the net profits, if any, of the Company, every year, computed in the manner specified in the Act, for a period of 5 (five) years from 1st April, 2020 to 31st March, 2025. The Board and/or Committee of the Board may from time to time determine, every year the amount of commission within the limit of 1% of the net profit and the same be apportioned amongst the Non-Executive Directors [other than the Managing Director and Wholetime Director(s)] in such manner as the Board and/or Committee may deem fit for a period from 1st April, 2020 to 31st March, 2025. The payment of remuneration by way of commission to Non-Executive Directors will be in addition to the sitting fees payable to them for attending each meeting of the Board/Committee.

Registered Office:
24, Government Servant's Society,
Near Municipal Market,
Off C.G. Road, Navrangpura,
Ahmedabad - 380009
Date: 25th June, 2020

By Order of the Board

Prakash Makwana
Company Secretary

Annexure to Item No. 2, 4, 5, 6 and 7 of the Notice:
Details of Director seeking appointment and re-appointment at the forthcoming Annual General Meeting:
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Revised Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India)

Name of the Director	Mr. Sanjay S. Lalbhai	Ms. Pallavi Vyas	Mr. Pratul Shroff	Mr. Prem Prakash Pangotra	Mr. Kamal Singal
Director Identification Number	00008329	08521883	00162576	00844391	02524196
Date of Birth	10-04-1954	12-02-1972	04-11-1953	15-02-1952	02-03-1972
Nationality	Indian	USA	Indian	Indian	Indian
Date of Appointment or reappointment on the Board	28-03-2015	05-08-2019	28-03-2020	28-03-2020	01-06-2020
Qualifications	<ul style="list-style-type: none"> • Bachelor of Science, • Masters in Management Studies 	<ul style="list-style-type: none"> • PhD in Public Policy, • Master of Arts in Economics • Bachelor of Arts 	<ul style="list-style-type: none"> • B.E. in Electronics Engineering, • Master's degree in Computer Engineering • MBA from IIM Ahmedabad 	<ul style="list-style-type: none"> • Ph.D. (Urban and Regional Planning), • Master of Science (Urban and Regional Planning), • Post Graduate Diploma in Management (PGDM) • Bachelor of Technology (Electrical Engineering) 	<ul style="list-style-type: none"> • Post Graduate Diploma in Management • Post Graduate Diploma in Computer Application • MS of Computer Science • Executive Post Graduate Diploma in Management
Expertise in specific functional area	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance
Number of shares held in the Company	200155 Equity Shares	Nil	116 Equity Shares	Nil	641015 Equity Shares
Number of Board Meetings attended during the year.	6 out of 6 meetings	4 out of 6 meetings	3 out of 6 meetings	5 out of 6 meetings	6 out of 6 meetings
Details of remuneration sought to be paid	Nil	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer Item No.7 of Notice of AGM
Last drawn remuneration	Nil	Refer Annexure - D to the Directors' Report	Refer Annexure - D to the Directors' Report	Refer Annexure - D to the Directors' Report	Refer Annexure - D to the Directors' Report

Name of the Director	Mr. Sanjay S. Lalbhai	Ms. Pallavi Vyas	Mr. Pratul Shroff	Mr. Prem Prakash Pangotra	Mr. Kamal Singal
List of the directorships held in other companies	<ul style="list-style-type: none"> Arvind Limited The Anup Engineering Limited Arvind Fashions Limited Animesh Holdings Pvt. Ltd. Arvind Foundation Arvind Worldwide Inc. USA Arvind Textile Mills Ltd. Bangladesh 	Nil	<ul style="list-style-type: none"> Ganpat Biznovation Private Limited E- Infochips Institute of Training Research And Academics 	Nil	<ul style="list-style-type: none"> Arvind Hebbal Homes Private Limited
Chairman/Member in the Committees of the other companies in which he is Director	Member - Stakeholder Relationship Committee (Arvind Limited)	Nil	Nil	Nil	Nil
Relationships between Directors inter-se.	Mr. Kulin S. Lalbhai is son of Mr. Sanjay S. Lalbhai, Non-Executive Director of the Company.	Nil	Nil	Nil	Nil

By Order of the Board

Prakash Makwana
Company Secretary

Registered Office:
24, Government Servant's Society,
Near Municipal Market, Off C.G. Road,
Navrangpura, Ahmedabad - 380009

Date: 25th June, 2020

DIRECTORS' REPORT

To, The Members,

Your Directors have pleasure in presenting the Twelfth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended on 31st March, 2020.

1. FINANCIAL RESULTS:

Highlights of the Financial Results for year are as under:

[₹ in lacs]

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	151,34	233,82	299,49	262,09
Profit before Finance costs, Depreciation and Amortisation & Tax	4,510	7,917	9,100	7,024
Less: Finance Costs	1,822	2,014	2,434	2,126
Less : Depreciation and Amortisation	82	88	111	115
Profit before share in profit/(loss) of Joint ventures & Tax	2,605	5,815	6,555	4,783
Share of Profit/(Loss) from Joint ventures	-	-	(16)	(4)
Profit before tax	2,605	5,815	6,539	4,779
Less : Current Tax	273	-	404	952
Less : Deferred Tax	394	1,212	2,021	709
Profit for the year	1,938	4,603	4,114	3,118
Total comprehensive income for the year	1,940	4,600	4,116	3,115
Net Profit/(Loss) attributable to :				
Equity holders of the parent	-	-	3,933	3,064
Non-controlling interest	-	-	183	51

2. OPERATIONS:

The standalone total revenue of the Company is ₹ 151,34 lacs in the FY 2019-20 against ₹ 233,82 lacs in FY 2018-19, a decline of 35%.

The consolidated total revenue of the Company has increased to ₹ 299,49 lacs in the FY 2019-20 against ₹ 262,09 lacs in FY 2018-19, an increase of 14%.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report which forms part of this report.

3. DIVIDEND:

Keeping in mind the need to conserve the resources for the future development of the Company, your Directors do not recommend any dividend on Equity Shares for the year under review.

4. TRANSFER TO RESERVES:

During the year under review, no amount is appropriated from Profit and Loss Account and transferred to any Reserve Account.

5. SHARE CAPITAL:

During the year 2019-20, the Company has allotted 3,20,000 equity shares of ₹ 10/- each to the eligible employee(s) pursuant to the exercise of stock options granted to them under Employees Stock Option Scheme - 2013 (AIL ESOP 2013). Consequently, the paid up equity share capital of the Company as at 31st March, 2020 stood at ₹ 35,55,35,500/- consisting of 3,55,53,550 equity shares of ₹ 10/- each.

During the year under review, the Company has neither issued shares with differential voting rights nor sweat equity shares.

6. EMPLOYEE STOCK OPTION SCHEME:

The Company has instituted the Arvind Infrastructure Limited (now Arvind SmartSpaces Limited) - Employees Stock Option Scheme - 2013 (AIL ESOP - 2013) as well as Arvind Infrastructure Limited - Employees Stock Option Plan - 2016 (AIL ESOP - 2016) to grant equity based incentives to certain eligible employees, directors of the Company and its Subsidiary Companies. During the year under review, the Company has not granted any stock options.

Details of equity shares issued upon exercise of stock options by the eligible employee(s) under AIL ESOP - 2013 and AIL ESOP 2016 and disclosure in compliance with Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 are set out in **Annexure - A** to this report.

7. DISCLOSURE UNDER SECTION 67 (3) (C) OF THE COMPANIES ACT, 2013:

No disclosure is required under section 67 (3) (c) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

8. FINANCE:

During the year, the Company has made fresh borrowings on a consolidated basis for its working capital requirements with overall increase in loan book by ₹ 48,00 lacs. Total Consolidated Debt of the Company stands at ₹ 218,09 lacs as on 31st March, 2020.

9. CREDIT RATING:

Indian Ratings and Research (IRA) has assigned its rating "IND A1" to the Short-Term Loan of Rs. 100/- Crores taken by the Company.

10. DEPOSITS:

During the year under review, the Company has not accepted any deposits falling under the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder. Further there are no outstanding deposits as at 31st March, 2020.

11. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS UNDER SECTION 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to the Financial Statements.

12. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company are prepared in accordance with relevant provisions of the Companies Act, 2013 including Indian Accounting Standards

specified under Section 133 of the Companies Act, 2013 and form part of this Annual Report.

13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Arvind SmartSpaces Limited undertakes "Corporate Social Responsibility" (CSR) initiatives through Strategic Help Alliance for Relief to Distressed Area ("SHARDA") Trust and Narottam Lalbhai Rural Development Fund ("NLRDF"). SHARDA and NLRDF have been active in improving the quality of life of the urban poor and rural poor respectively.

As a part of initiatives under CSR, the Company has taken the initiatives in the projects related to the Education, Health and Environment around the areas of its operations in Nasmed and Adhana villages in Tal. Kalol, Dist. Gandhinagar, Gujarat where your Company's signature real estate project "Arvind Uplands" is located. The Company has also supported to a project of skill upgrading of women from disadvantaged communities in Bangalore. The brief details of CSR Policy and the amount spent during the financial year 2019-20 on the said activity is enclosed as **Annexure - B**.

14. HUMAN RESOURCES:

The Company believes that Human Resources will play a significant role in its future growth. With an unswerving focus on nurturing and retaining talent, the Company provides avenues for learning and development through functional, behavioural and leadership training programs, knowledge exchange conferences, communication channels for information sharing to name a few. The Company provides various opportunities to the employees to develop and hone their skills to take up higher responsibilities in the organization.

A well - defined competency framework outlines the leadership behaviours expected from employees to be successful in Arvind Group. The Company also uses various communication channels to seek employees' feedback about the overall working environment and the necessary tools and resources they need to perform at their best potential.

Diverse employee engagement initiatives are launched to ensure employees of various age and background continue to be effective in their roles and build meaningful career at Arvind.

The Group's Corporate Human Resources plays a critical role in company's talent management process.

15. RISK MANAGEMENT:

The Real Estate market is inherently a cyclical market and is affected by macroeconomic conditions, changes in governmental schemes, changes in supply and demand for products, availability of consumer finance and liquidity. These factors can affect the demand for both our forthcoming and ongoing projects.

The Company has developed and implemented Risk Management Policy. The policy identifies the threat of adverse events which

may affect shareholder's value, ability of Company to achieve objectives or implement business strategies. Further, such risk are categorized into Strategic Risks, Operating Risks and Regulatory Risks.

Under the framework, the Company has laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. While the Company, through its employees and Executive Management, continuously assess the identified Risks, the Audit Committee reviews the identified Risks and its mitigation measures annually.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Moreover, the Company's Internal Audit department has adequate experience and expertise in internal controls, operating system and procedures. In discharging their role and responsibilities, the department is supported by an external audit firm.

The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

The Internal Audit Department reviews the adequacy of internal control system in the Company, its compliance with operating systems and laid down policies and procedures. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board of Directors from time to time.

17. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at

<https://arvindsmartspaces.com/wp-content/uploads/2019/04/Whistleblower-Policy-.pdf>

18. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

As on 31st March, 2020, the Company has 1 (one) holding Company, 13 (Thirteen) subsidiaries including 2 (two) wholly owned subsidiaries and 2 (two) Joint venture Companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 a statement containing salient features of financial statements of subsidiaries, associates and joint venture Companies in Form AOC-1 is attached to the Financial Statements. The separate audited financial statements in respect of each of the subsidiary shall be kept open for inspection at the Registered Office of the

Company. The Company will also make available these documents upon request by any member of the Company interested in obtaining the same.

The Company has framed a policy for determining material subsidiaries, which has been posted on company's website at <https://arvindsmartspaces.com/wp-content/uploads/2018/05/AIL-Policy-on-Material-Subsidiaries.pdf>

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on 31st March, 2020 the Board of Directors consist of 7 (seven) Directors out of which 1 (one) is Executive Director, 2 (two) are Non-Executive Non-Independent Directors and 4 (four) are Non-Executive Independent Directors including a Woman Director. The composition is in compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association, Mr. Sanjay S. Lalbhai (DIN 00008329) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as the Director of the Company.

Mr. Kamal Singal is appointed as Managing Director & CEO in the Annual General Meeting of the Company held on 11th May, 2015 for a period of 5 (five) years, with effect from 1st June, 2015 to 31st May, 2020. It is proposed to re-appoint him as Managing Director & CEO for the another term of 5 (five) years with effect from 1st June, 2020 to 31st May, 2025 by passing special resolution as set out in item No. 7 of the notice convening the AGM.

Mr. Pratul Shroff is appointed as an Independent Director, not liable to retire by rotation, in the Annual General Meeting of the Company held on 11th May, 2015 for a period of 5 (five) years, with effect from 28th March, 2015 to 27th March, 2020. It is proposed to re-appoint him as an Independent Director, not liable to retire by rotation, for the second term of 5 (five) years with effect from 28th March, 2020 to 27th March, 2025 by passing special resolution as set out in item No. 5 of the notice convening the AGM.

Mr. Prem Prakash Pangotra is appointed as an Independent Director, not liable to retire by rotation, in the Annual General Meeting of the Company held on 11th May, 2015 for a period of 5 (five) years, with effect from 28th March, 2015 to 27th March, 2020. It is proposed to re-appoint him as an Independent Director, not liable to retire by rotation, for the second term of 5 (five) years with effect from 28th March, 2020 to 27th March, 2025 by passing special resolution as set out in item No. 6 of the notice convening the AGM.

Ms. Pallavi Vyas is appointed as an Additional Director in the category Independent Director by the Board of Directors of the Company on 5th August, 2019 on the basis of recommendation of the Nomination & Remuneration Committee. It is proposed to appoint her as an Independent Director, not liable to retire

by rotation, for a term of 5 (five) years with effect from 5th August, 2020 to 4th August, 2025 by passing ordinary resolution as set out in item No. 4 of the notice convening the AGM.

The Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct.

None of the Directors are disqualified from being appointed as Directors as specified in section 164 of the Companies Act, 2013.

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Kamal Singal - Managing Director & CEO, Mr. Mehul Shah Chief Financial Officer and Mr. Prakash Makwana - Company Secretary are the key managerial personnel of the Company.

20. FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of independent directors which includes the performance of directors, fulfilment of criteria of independence specified in these regulations and their independence from the Management, its own performances as well as evaluation of working of its Committees on the basis of criteria formulated by the Nomination and Remuneration Committee which are broadly in compliance with the Guidance Note on Board Evaluation issued by SEBI vide its Circular dated 5th January, 2018. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

21. APPOINTMENT AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The same is posted on Company's website at <https://arvindsmartspaces.com/wp-content/uploads/2019/06/Nomination-and-Remuneration-Policy.pdf>

22. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The same is also posted on the website of the Company at https://arvindsmartspaces.com/wp-content/uploads/2018/05/Familiarisation_Programme_for_IDs.pdf

23. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES:

A calendar of Board and Committee Meetings is prepared and circulated in advance to the Directors to enable them to plan their schedule for effective participation in the Meetings.

During the year under review, 6 (six) meetings of the Board of Directors, 4 (four) meetings of Audit Committee, 3 (three) meetings of Nomination and Remuneration Committee, 4 (four) meetings of Stakeholders' Relationship Committee, 2 (two) meetings of Corporate Social Responsibility Committee and 16 (sixteen) meetings of Management Committee of Board of Directors were convened and held, the details of which are provided in the Corporate Governance Report forming part of this Report.

24. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts for the year ended on 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared annual accounts on a going concern basis;
- (e) they have laid down proper internal financial controls, which are adequate and are operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

25. RELATED PARTY TRANSACTIONS:

All transactions with Related Parties are placed before the Audit Committee and the Board for their approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all the related party transaction specifying the nature, value and terms

and conditions of the transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

All the related party transactions are entered into on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the IND AS - 24.

The Policy on Related Party Transactions as approved by the Board is posted on Company's website at <https://arvindsmartspaces.com/wp-content/uploads/2018/05/AIL-Related-Party-Transaction-Policy.pdf>

26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

27. AUDITORS:

(a) Statutory Auditor:

M/s. S R B C & Co LLP, Chartered Accountants, (ICAI Firm Registration No. 324982E / E300003) were appointed as Statutory Auditors of the Company for a period of 5 (five) consecutive years at the Annual General Meeting held on 14th September, 2017.

The Report given by M/s. S R B C & Co LLP, Chartered Accountants on the financial statements along with the notes to the financial statements of the Company for the financial year 2019-2020 is forming part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act.

(b) Cost Auditors:

On the recommendation of the Audit Committee, the Board of Directors appointed M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 000025), as Cost Auditors of the Company for the year 2020-21 under

Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014. M/s Kiran J. Mehta & Co. have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013 and that their appointment meets the requirements of Section 141(3)(g) of the Companies Act, 2013. They have further confirmed their independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditors is required to be ratified by the Members in a general meeting.

Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s Kiran J. Mehta & Co., Cost Auditors is included at Item No. 3 of the notice convening the Annual General Meeting.

(c) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s N. V. Kathiria & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the financial year 2019-20. Report of the Secretarial Audit in Form MR-3 for the financial year 2019-20 is enclosed as **Annexure – C**. In connection with the auditor's observation in this report, it is clarified that the Company has appointed woman director on 5th August, 2019 in compliance with section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualifications of Directors), Rules 2014 and regulation 17(1) of The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements), Regulations, 2015.

28. ENHANCING SHAREHOLDERS VALUE:

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

29. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:

The Corporate Governance Report and Management Discussion & Analysis, which forms part of this Report, is set out as separate Annexure, together with the Certificate from the Practicing Company Secretary regarding compliance of conditions of

Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

30. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report for the year ended 31st March, 2020 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity. There were no foreign Exchange Earnings or Outgo during the period under review except on foreign travelling.

32. ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure - D** which is forming part of this report.

33. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, are given in **Annexure - E** to this report.

34. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for Sexual Harassment at Workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. Arvind SmartSpaces Limited Internal Complaints Committee ("ASLICC") is formed by the Company which is working under purview of group level Committee i.e. Arvind Internal Complaints Committee ("AICC"), the details of which are declared across the organization. All the members of ASLICC are trained by the subject experts on handling the investigations and proceedings as defined in the policy.

During the financial year 2019-20 the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31st March, 2020.

35. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their sincere thanks to all the employees, customers, suppliers, business associates bankers, investors, lenders, regulatory and government authorities and stock exchanges for their support.

By Order of the Board

Date: 25th June, 2020

Place: Ahmedabad

Sanjay S. Lalbhai
Chairman

Annexure – A to the Director’s Report

Disclosures under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations:

The Details of Arvind SmartSpaces Limited Employees Stock Option Scheme - 2013 and 2016 (“AIL ESOP - 2013” and “AIL ESOP - 2016”) for the year ended on 31st March, 2020 are as under:

		AIL ESOP - 2013	AIL ESOP - 2016
1	Description of ESOP Scheme:		
(a)	Date of shareholder approval	08-Mar-2013	23-Sep-2016
(b)	Total number of shares approved under ESOP Schemes	5% of share capital from time to time.	15,00,000 shares of face value ₹10 each.
(c)	Vesting requirements	Options vest over minimum 1 year and maximum 5 years based on continued service and certain performance parameters.	Options vest over minimum 1 year and maximum 5 years based on continued service and certain performance parameters.
(d)	Exercise price or pricing formula	Grant I – ₹41.25 Grant II – ₹45.14	₹158.30
(e)	Maximum term of options granted	7 years from the date of grant	9 years from the date of grant
(f)	Source of shares	Primary	Primary
(g)	Variation of terms of options	None	None
2	Method used to account for ESOS	Fair Value Method	Fair Value Method
3	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed. (i) Difference between Intrinsic value and Fair value compensation cost (ii) Impact on the Profits of the Company (₹) (iii) Impact on Basic Earnings Per Share of the Company (₹) (vi) Impact on Diluted Earnings Per Share of the Company (₹)	None. The Company follows fair value method of accounting for options. NA NA NA NA	
4	Option movement during the year:		
(a)	Options Outstanding at the beginning of the year	3,73,729	3,70,000
(b)	Options granted during the year	0	0
(c)	Options forfeited / lapsed during the year	0	0
(d)	Options vested during the year	0	0
(e)	Options exercised during the year	3,20,000	0
(f)	Number of shares arising as a result of exercise of option	3,20,000	0
(g)	Money realised by exercise of options (₹)	1,33,75,050	0
(h)	Loan repaid by the Trust during the year from exercise price received	NA	NA
(i)	Options Outstanding at the end of the year	53,729	3,70,000
(j)	Options Exercisable at the end of the year	53,729	92,500
5A	Weighted average exercise prices of options whose Exercise price equals market price of stock Exercise price exceeds market price of stock Exercise price is less than market price of stock	₹41.25 0 0	₹158.30 0 0
5B	Weighted average fair value of options whose Exercise price equals market price of stock Exercise price exceeds market price of stock Exercise price is less than market price of stock	₹10.68 0 0	₹75.81 0 0

		AIL ESOP - 2013	AIL ESOP - 2016
6	<p>Employee wise details of options granted to:</p> <p>(i) Senior managerial personnel</p> <p>(ii) any other employee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year;</p> <p>(iii) identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant</p>	No grants made during the year.	No grants made during the year.
7	<p>A description of the method and significant assumptions used during the year to estimate the fair values of options, including following information:</p> <p>(i) Share price (₹)</p> <p>(ii) Exercise price (₹)</p> <p>(iii) Expected volatility</p> <p>(iv) Expected dividends</p> <p>(v) Risk-free interest rate</p> <p>(vi) Any other inputs to the model</p> <p>(vii) Method used and the assumptions made to incorporate effects of expected early exercise</p> <p>(viii) How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility</p> <p>(ix) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition.</p>	No grants made during the year.	No grants made during the year.

Annexure – B to the Director’s Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

<p>1 A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.</p>	<p>Brief outline of the Company’s CSR Policy:</p> <p>Arvind SmartSpaces follows the group’s CSR philosophy of contributing to the growth and development of the society as we believe that healthy business grows only in a healthy society and that business must serve and empower the community in the area where it operates. The responsibility of undertaking development initiatives has been jointly shared by Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust and Vishwavani Foundation, Bangalore.</p> <p>Overview of projects or programs undertaken or proposed to be undertaken:</p> <p>Since the Companies Act, 2013 provides that a Company shall give preference to the local area where it operates, for spending the amount earmarked for Corporate Social Responsibility activities, Arvind SmartSpaces decided to support initiatives of social renewal around the areas of its operations in Nasmed village in Kalol Taluka (District Gandhinagar), Gujarat where Arvind SmartSpaces has its signature real estate project Arvind Uplands.</p> <p>After conducting a Rapid Rural Infrastructure Assessment in 2017-18 in the village, we initiated a series of community connect programs to mobilize and spread awareness amongst multiple stakeholders viz. Gram Panchayat, community leaders, women groups, school management, livelihoods group members etc. Our development focus in Nasmed village is on :</p> <ol style="list-style-type: none"> Education Health and Environment <p>a. Educational initiatives: We have continued to strengthen our existing efforts and added some new ones to make the programs more impactful.</p> <ol style="list-style-type: none"> As part of our Educational initiative, our students joined in a yearlong programme of Learning Non Violence (LNV). The programme was launched by Sabarmati Ashram Preservation and Memorial Trust (SAPMT) and the Centre for Environment Education (CEE), in collaboration with SHARDA Trust as implementing partner. <p>This year long programme aimed to embark upon a journey of imbibing non-violence through a process of exploration, inquiry and discovery - rather than giving students something available readily. The main objective is to reduce or manage violent attitudes and behaviours among young generation. The project included various non-violence activities for students in class room teaching and most importantly visits to Gandhi Ashram throughout the year. Participating into various activities conducted at Ashram and schools, seeing various exhibitions and also interacting with Gandhian scholars during the visit at Gandhi Ashram is something that certainly gave a different orientation to our students towards the concept of non-violence which is so important. Training of teachers was another component of the program. Total 141 rural children participated in the program.</p> <ol style="list-style-type: none"> To improve regularity of students in schools, last year we had conducted an awareness event with the key stakeholders. This year too, we had an event to motivate the parents to enroll more children in schools. We also distributed school bags to children enrolled in Nasmed Primary School to further this objective. Last year we had worked on improving the hygiene conditions of the school. This year we extended the effort to fence the school boundary making it safer for the children. “Fun With Science” program which was initiated last year was a success with the students and hence we conducted a similar program with around 120 students of 6th, 7th and 8th standard thereby improving their understanding of scientific concepts.
--	---

5. To enhance life view of students, we take them for educational trips. Last year, we had taken our students to Gujarat Science City. This year, we took them various places like Adalaj Step Well, Trimandir and Indroda Park enhancing their world view.
6. A new program was initiated this year to enhance children's connect with the environment through learning the art of gardening at school. We distributed Kindergarten tool sets called "Kamakada" (toy tools for kids) to Nasmed Primary School, where children are enthusiastically using the same.

b. Health Initiative: We believe that a healthy community is a pre requisite for growth and development. With this understanding, in 2018-19 we had celebrated the International Yoga Day with the community. More than 1,800 children, teachers and parents had participated in the event.

This year we took the health initiative deeper by initiating a new program called "Niramay". Project Niramay was started as a pilot project to organize community level screening camps in villages in Kalol taluka. 19 Non Communicable Disease screening camps were organized in 8 villages. 1397 adults were screened in these camps. 179 (12.8%) cases were identified as Oral Pre Malignant Diseases (OPMDs), 103 as new hypertension and 61 as new Diabetes cases. All cases were referred to nearest Primary Health Center - Hajipur for further treatment, medicines and follow up.

For people identified as OPMDs, a camp was organized in with support of Gujarat Cancer Research Institute (GCRI) to provide further diagnosis. Around 30 OPMDs patients came for further check-up and three were referred to go GCRI for further biopsy and operative treatment.

c. Environment Initiative: Tree plantation on school campus helps in creating awareness among school children about importance of trees in environment conservation. To achieve this end, Nasmed Primary School Greening campus initiative was under taken this year. About 100 local species of wild, ornamental and medicinal trees were planted on school campus by more than 150 students.

A brief account of the other projects supported by the Company during 2019-20 is mentioned below.

♦ **Skill development Initiative at Bangalore**

The Company supported a project of skill upgrading of women from disadvantaged communities. The project envisaged distributing sewing machines in the locality nearby to our Bangalore Projects for skill upgradation through the NGO Vishwavani Foundation, Bangalore.

♦ **Support to livelihood promotion**

The highlight of this year was an Employee Engagement initiative by ASL. The team from ASL provided its skills and expertise in carrying out the Livelihood Promotion Project called Tribal Home Stay in Garudeshwar Taluka which was being carried out by Arvind Foundation.

The objective was to create good quality residential facilities for tourists in village homes near Statue of Unity to provide an additional source of income to them.

ASL team came forward to offer their technical expertise to Arvind Foundation in carrying out the project. The team surveyed the houses, defined the requirements at identified houses, developed specs and got the work done at around 40 houses. The infrastructure, the facilities to be provided and the project management support were designed and managed by the ASL team.

Web-link of CSR Policy:

The Policy is also posted on the website of the Company at <https://arvindsmartspaces.com/wp-content/uploads/2018/05/CSR-ASL-Policy-06-11-2017.pdf>

2	Composition of CSR Committee.	Mr. Sanjay S. Lalbhai Mr. Prem Prakash Pangotra Ms. Pallavi Vyas* Mr. Kamal Singal	- Chairman - Independent Director - Independent Director - Managing Director & CEO.
		*Appointed w.e.f. 5 th August, 2019.	
3	Average net profit of the Company for last three financial years.	₹1,862.48 Lacs	
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹37.25 Lacs	
5	Details of CSR Spend during the financial year 2019-20.	a.	Total amount to be spent for F.Y. 2019-20
		b.	Amount unspent, if any
		c.	Manner in which the amount was spent during the financial year and details of implementing agency are given below separately.
6	In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Not Applicable as the Company has spent the required amount during the F.Y. 2019-20.	

Manner in which the amount was spent during the financial year:

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
			(1) Local area or other		(1) Direct expenditure on Projects or programmes.		
			(2) Specify the State and district where projects or programmes was undertaken.		(2) Overhead.		
	From 2% CSR Fund					Lacs (₹)	
1	Rural Development Programme	Rural Development	Rural Development initiative around the Company's operations at Villages Nasmed and Adhana at Kalol, Gandhinagar, Gujarat.	22.30	22.30	22.30	Through SHARDA Trust
2	Skill Upgrading Initiatives	Promoting Skills	Bangalore	15.00	15.00	15.00	Through Vishwavani Foundation, Bangalore.
	Total Spend (₹ Lacs)					37.30	

Details of the Implementation Agencies:

Project and Programmes	Theme	Implementing Agency	Registration No
Rural Development Programmes at Nasmed and Adhana village of Taluka Kalol, Dist. Gandhinagar, Gujarat	Rural Development.	Strategic Help Alliance for Relief to Distressed Area (SHARDA) Trust.	Registration No. E/10699/ Ahmedabad Dated 13 th December, 1995 under Bombay Public Trust Act 1950.
Skill Upgrading Initiatives at Bangalore	Promoting Skills	Vishwa Vani foundation	ITBA/EXM/S/80G/2017 - 1811004089021 (1)

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

Date: 25th June, 2020
Place: Ahmedabad

Sanjay S. Lalbhai
Chairman-CSR Committee

Kamal Singal
Managing Director & CEO

Annexure – C to the Director’s Report

Form MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
The Members,
Arvind SmartSpaces Limited
24, Govt. Servant’s Society,
Nr. Municipal Market, Off. C.G. Road,
Navrangpura, Ahmedabad- 380009.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arvind SmartSpaces Limited** (hereinafter “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in electronic form due to lockdown on account of COVID 19 pandemic during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 (Audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:
 - (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
 - (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued any such securities during the financial year)**
 - (vii) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI)**
 - (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable as the Company has not delisted any of its equity shares during the financial year);**
 - (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable as the Company has not bought back any of the securities during the financial year).**
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company however due to lockdown on account of COVID 19 across the nation, physical verification was not possible.
4. The Company has complied with following specific laws to the extent applicable to the Company:
 - a) The Real Estate (Regulation and Development) Act, 2016.
 - b) Transfer of Property Act, 1882.
 - c) The Land Acquisition Act, 1894.

- d) The Contract Labour (Regulation and Abolition) Act, 1970.
 - e) The Indian Easements Act, 1882.
 - f) The Indian Contract Act, 1872.
 - g) The Gujarat Town Planning and Urban Development Act, 1976.
 - h) Gujarat Development Control Regulations Act, 2011 as amended from time to time.
 - i) The Environment (Protection) Act, 1986.
 - j) The Gujarat Land Revenue Code, 1879.
 - k) The Gujarat Tenancy & Agricultural Lands Act, 1948.
 - l) The Indian Registration Act, 1908.
 - m) The Specific Relief Act, 1963.
 - n) The Indian Stamp Act, 1899.
 - o) The Gujarat Stamp Act, 1958.
 - p) The Gujarat Ownership Flats Act, 1973.
 - q) The Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996.
 - r) The Building and Other Construction Worker's Welfare Cess Act, 1996.
 - s) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
 - t) Goods and Service Tax Act.
 - u) Employees Provident Fund and Miscellaneous Provisions Act, 1952.
 - v) Employees State Insurance Act, 1961 and Rules made there under.
5. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India and The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except section 149 of the Act read with Rule 3 of the Companies (Appointment and Qualifications of Directors), Rules 2014 and regulation 17(1) of The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements), Regulations, 2015. The non-compliance occurred consequent to introduction and applicability of New Regulation 17(1A), pursuant to which existing woman Director had to resign as a director. And on 05-08-2019, the Company has complied with the said section and regulation by appointing woman director on the Board.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs except the following:

1. The Company has allotted 3,20,000 equity shares to the eligible employees under Arvind Infrastructure Limited – Employee Stock Option Scheme, 2013 (AIL ESOP 2013), pursuant to exercise of stock options by them.

For, N. V. KATHIRIA & ASSOCIATES

Date : 17th June, 2020
Place : Ahmedabad

N. V. KATHIRIA
PROPRIETOR
FCS 4573
COP 3278

(UDIN: Foo4573Booo348501)

To,
The Members,
Arvind SmartSpaces Limited
24, Govt. Servant's Society,
Nr. Municipal Market, Off. C.G. Road,
Navrangpura, Ahmedabad- 380009.

Our Secretarial Audit Report of even date is to be read along with this letter.

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

For, N. V. KATHIRIA & ASSOCIATES

Date : 17th June, 2020
Place : Ahmedabad

N. V. KATHIRIA
PROPRIETOR
FCS 4573
COP 3278

(UDIN: Foo4573Boo0348501)

Annexure – D to the Director’s Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN for the financial year ended on 31st March, 2020.

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

I. REGISTRATION & OTHER DETAILS:

i	CIN	L45201GJ2008PLCo55771
ii	Registration Date	26 th December, 2008.
iii	Name of the Company	Arvind SmartSpaces Limited
iv	Category / Sub - category of the Company	Company Limited by Shares
v	Address of Registered office and contact details	24, Government Servant’s Society, Near Municipal Market, Off C.G. Road, Navrangpura, Ahmedabad, Gujarat - 380009. Contact: +917968267000 Fax: +917968267021
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Limited 506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre, Near St. Xavier’s College Corner, Off C G Road, Ellisbridge, Ahmedabad 380006 Tel No : +91 79 26465179 /86 / 87 E-mail id : ahmedabad@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated. Arvind SmartSpaces Limited (“the Company”) is dealing in real estate development.

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Real Estate developer	70	100

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the Company	CIN/GLN/LLPIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Aura Securities Private Limited 1 st Floor, Akshay Building, 53, Shrimali Society, B/h Vadilal House, Navrangpura, Ahmedabad-380009, Gujarat, India.	U74110GJ1985PTC008269	Holding	52.63	2(46)
2	Arvind Hebbal Homes Private Limited	U45200GJ2011PTC066023	Subsidiary	100.00	2(87)
3	Arvind Homes Private Limited	U70104GJ2019PTC108188	Subsidiary	100	2(87)
4	ASL Facilities Management LLP (formerly known as “Arvind Alcove LLP”)	AAB - 1983	Subsidiary	100	2(87)
5	Changodar Industrial Infrastructure (One) LLP	AAB - 8772	Subsidiary	100	2(87)
6	Arvind Altura LLP	AAB - 1906	Subsidiary	100	2(87)
7	Arvind Beyond Five Club LLP	AAC - 3674	Subsidiary	100	2(87)
8	Arvind Infracon LLP	AAC - 1446	Subsidiary	100	2(87)
9	Ahmedabad Industrial Infrastructure (One) LLP	AAB - 8247	Subsidiary	100	2(87)
10	Arvind Five Homes LLP	AAB - 0742	Subsidiary	100	2(87)
11	Yogita Shelters LLP S. No. 138(P) 139(P) H.No.15, 16, 17 Unit No - A - 202, Summer Court, Pune-411028, Maharashtra, India.	AAB - 4186	Subsidiary	99.79	2(87)
12	Ahmedabad East Infrastructure LLP	AAA - 1786	Subsidiary	51	2(87)
13	Arvind Integrated Projects LLP ‘D’ Wing, Karma Sankalp Corner of 6th & 7th Road of Rajawadi, Ghatkopar, Mumbai - 400077, Maharashtra.	AAH - 5717	Associate (Joint Venture)	50	2(6)
14	Arvind Bsafal Homes LLP Khokhara Mehmedabad Ahmedabad - 380008, Gujarat, India.	AAA - 2005	Associate (Joint Venture)	50	2(6)

Note: Address of the above subsidiary & associate companies specified in point No. 2 to 10 and 12 is 24, Government Servant’s Society, Near Municipal Market, off. C.G. Road, Navrangpura, Ahmedabad - 380009, Gujarat, India.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity):

(i) Category-wise Shareholding

Category Code	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters and Promoter Group									
(1)	Indian									
(a)	Individual/HUF	285093	0	285093	0.81	285577	0	285577	0.80	(0.01)
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Body Corporates, Firms, Trust etc.)	20713277	0	20713277	58.79	20713277	0	20713277	58.26	(0.53)
	Sub-Total (A)(1)	20998370	0	20998370	59.60	20998854	0	20998854	59.06	(0.54)
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total A = (A)(1) + (A)(2)	20998370	0	20998370	59.60	20998854	0	20998854	59.06	(0.54)
B	Public shareholder									
1	Institutions									
(a)	Mutual Funds	45937	1093	47030	0.13	109	1093	1202	0.00	(0.13)
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	572914	0	572914	1.63	572914	0	572914	1.61	(0.01)
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investors	8858	2204	11062	0.03	8707	2204	10911	0.03	0.00
(f)	Financial Institutions/ Banks	1610671	804	1611475	4.57	1357433	644	1358077	3.82	(0.75)
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	96	0	96	0.00	96	0	96	0.00	0.00
	Sub-Total (B)(1)	2238476	4101	2242577	6.36	1939259	3941	1943200	5.47	(0.90)
2	Central Government/ State Government(s)/ President of India	50	0	50	0.00	53	0	53	0.00	0.00
	Sub-Total (B)(2)	50	0	50	0.00	53	0	53	0.00	0.00
3	Non-institutions									
(a)	Individual									
(i)	Individual shareholders holding nominal share capital up to ₹1 lacs.	4986547	252520	5239067	14.87	4658695	242330	4901025	13.78	(1.08)
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lacs.	4804238	0	4804238	13.64	5733038	0	5733038	16.13	2.49
(b)	NBFCs registered with RBI	6986	0	6986	0.02	5886	0	5886	0.02	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)									
(e-i)	Trusts	7118	0	7118	0.02	6788	0	6788	0.02	0.00
(e-ii)	Hindu Undivided Family	616103	0	616103	1.75	606996	0	606996	1.71	(0.04)
(e-iii)	Non Resident Indians	297673	16262	313935	0.89	304316	16103	320419	0.90	(0.01)
(e-iv)	Overseas Bodies Corporates	290	0	290	0.00	290	0	290	0.00	0.00
(e-v)	Clearing Member	132839	0	132839	0.38	11116	0	11116	0.03	0.05
(e-vi)	Bodies Corporate	871977	0	871977	2.47	1025885	0	1025885	2.89	0.41
	Sub-Total (B)(3)	11723771	268782	11992553	34.04	12353010	258433	12611443	35.47	1.43
	Total (B) = (B)(1)+(B)(2)+(B)(3)	13962297	272883	14235180	40.40	14292322	262374	14554696	40.94	0.54
C	Custodian / DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
	Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A)+(B)+(C)	34960667	272883	35233550	100.00	35291176	262374	35553550	100.00	0.00

(ii) Shareholding of Promoters and Promoter Group

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of change during the year
		No. of Shares	% of shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of shares of the Company	% of shares pledged/ encumbered to total shares	
1	Aura Securities Private Limited	18712646	53.11	9.93	18712646	52.63	9.84	(0.48)
2	Sanjaybhai Shrenikbhai Lalbhai	200155	0.57	0.00	200155	0.56	0.00	(0.01)
3	Jayshreeben Sanjaybhai Lalbhai	33	0.00	0.00	33	0.00	0.00	0.00
4	Punit Sanjaybhai	371	0.00	0.00	371	0.00	0.00	0.00
5	Samvegbhai Arvindbhai	4634	0.01	0.00	4634	0.01	0.00	0.00
6	Kulin S Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
7	Hansaben Niranjambhai	1139	0.00	0.00	1139	0.00	0.00	0.00
8	Samvegbhai Arvindbhai Lalbhai	60494	0.17	0.00	60978	0.17	0.00	0.00
9	Saumya Samvegbhai Lalbhai	4665	0.01	0.00	4665	0.01	0.00	0.00
10	Swati S Lalbhai	771	0.00	0.00	771	0.00	0.00	0.00
11	Vimlaben S Lalbhai	459	0.00	0.00	459	0.00	0.00	0.00
12	Sunil Siddharth Lalbhai	343	0.00	0.00	343	0.00	0.00	0.00
13	Ananyaa Kulin Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
14	Ishaan Punit Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
15	Snehalben Samvegbhai Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
16	Jaina Kulin Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
17	Taral S Lalbhai	407	0.00	0.00	407	0.00	0.00	0.00
18	Badlani Manini Rajiv	540	0.00	0.00	540	0.00	0.00	0.00
19	Ruhani Punit Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
20	Lalbhai Poorva Punitbhai	0	0.00	0.00	0	0.00	0.00	0.00
21	Anamikaben Samvegbhai Lalbhai	4003	0.01	0.00	4003	0.01	0.00	0.00
22	Astha Lalbhai	192	0.00	0.00	192	0.00	0.00	0.00
23	Kalpanaben Shripalbhai Morakhia	1	0.00	0.00	1	0.00	0.00	0.00
24	Sanjabhai Shrenikbhai Lalbhai, Trustee	6885	0.02	0.00	6885	0.02	0.00	0.00
25	Sunil Siddharth HUF	1	0.00	0.00	1	0.00	0.00	0.00
26	Aura Business Ventures LLP	0	0.00	0.00	0	0.00	0.00	0.00
27	Amplus Capital Advisors Pvt Ltd.	0	0.00	0.00	0	0.00	0.00	0.00
28	Kasturbhai Lalbhai Museum Limited (formerly Anagram Knowledge Academy Limited)	0	0.00	0.00	0	0.00	0.00	0.00
29	Anukul Investments Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
30	Aura Merchandise Pvt Ltd.	100	0.00	0.00	100	0.00	0.00	0.00
31	Lalbhai Realty Finance Private Limited	45500	0.13	0.13	45500	0.13	0.13	0.00
32	Shruti Trade Link Pvt Ltd.	0	0.00	0.00	0	0.00	0.00	0.00

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of change during the year
		No. of Shares	% of shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of shares of the Company	% of shares pledged/encumbered to total shares	
33	Aura Business Enterprise Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
34	Arvind Limited	0	0.00	0.00	0	0.00	0.00	0.00
35	Arvind Fashions Limited	0	0.00	0.00	0	0.00	0.00	0.00
36	The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering Limited)	0	0.00	0.00	0	0.00	0.00	0.00
37	Style Audit LLP	0	0.00	0.00	0	0.00	0.00	0.00
38	J P Trunkshow LLP	0	0.00	0.00	0	0.00	0.00	0.00
39	Adore Investments Private Limited	13229	0.04	0.00	13229	0.04	0.00	0.00
40	Amardeep Holdings Private Limited	97425	0.28	0.00	97425	0.27	0.00	0.00
41	Arvind Farms Pvt Ltd	149011	0.42	0.00	149011	0.42	0.00	0.00
42	Aayojan Resources Pvt. Ltd	8450	0.02	0.00	8450	0.02	0.00	0.00
43	Aagam Agencies Private Limited (formerly Adhigam Investments Pvt. Ltd.)	0	0.00	0.00	0	0.00	0.00	0.00
44	Adhinami Investment Pvt Ltd	600	0.00	0.00	600	0.00	0.00	0.00
45	Anusandhan Investments Limited	11000	0.03	0.00	11000	0.03	0.00	0.00
46	Akshita Holdings Pvt. Limited	13	0.00	0.00	13	0.00	0.00	0.00
47	Amal Limited	0	0.00	0.00	0	0.00	0.00	0.00
48	Atul Finserv Limited	0	0.00	0.00	0	0.00	0.00	0.00
49	Anchor Adhesives Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
50	Atul Bioscience Limited	0	0.00	0.00	0	0.00	0.00	0.00
51	Atul Limited	412747	1.17	0.00	412747	1.16	0.00	(0.01)
52	Rudolf Atul Chemicals Limited	0	0.00	0.00	0	0.00	0.00	0.00
53	Aagam Holdings Private Limited	629625	1.79	0.00	629625	1.77	0.00	(0.02)
54	Aura Securities Pvt. Ltd.	100	0.00	0.00	100	0.00	0.00	0.00
55	Aml Employees' Welfare Trust	632731	1.80	0.00	632731	1.78	0.00	(0.02)
	Total	20998370	59.60	10.06	20998854	59.06	9.97	(0.54)

Notes: (1) "Aahvan Agencies Limited (Formerly known as Agrimore Limited)" was amalgamated in "Aagam Agencies Private Limited" pursuant to the Order No. CA (CAA) No. 110/NCLT/AHM/2019 dated 17-10-2019 passed by Honorable National Company Law Tribunal, Ahmedabad Bench, Ahmedabad and (2) The name of "Adhigam Investments Private Limited" has been changed to "Aagam Agencies Private Limited" w.e.f. 04-07-2019, pursuant to fresh certificate of incorporation dated 04-07-2019 issued by Ministry of Corporate Affairs.

(iii) Change in Promoter's Shareholding (specify if there is no change)

Sr. No.	Name of Promoter	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Samvegbhai Arvindbhai Lalbhai				
	At the beginning of the year	60494	0.17	60494	0.17
	Transfer of shares (27-03-2020)	484	0.00	60978	0.17
	At the end of the year	--	--	60978	0.17

Note: The details of shareholding of Promoters and Promoter Group is given in Point No. IV (ii). There is no change in promoter's shareholding except as mentioned above.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Ketankumar Ratilal Patel	1730000	4.91	1730000	4.87
	Purchase (21-06-2019)	3000	0.01	1733000	4.87
	Purchase (26-07-2019)	17450	0.05	1750450	4.92
	Purchase (02-08-2019)	28672	0.08	1779122	5.00
	Purchase (09-08-2019)	7378	0.02	1786500	5.02
	Purchase (16-08-2019)	9290	0.03	1795790	5.05
	Purchase (23-08-2019)	14610	0.04	1810400	5.09
	Purchase (30-08-2019)	9000	0.03	1819400	5.12
	Purchase (06-09-2019)	2000	0.01	1821400	5.12
	Purchase (27-09-2019)	3000	0.01	1824400	5.13
	Purchase (04-10-2019)	7630	0.02	1832030	5.15
	Purchase (11-10-2019)	19270	0.05	1851300	5.21
	Purchase (18-10-2019)	4450	0.01	1855750	5.22
	Purchase (01-11-2019)	1828	0.01	1857578	5.22
	Purchase (08-11-2019)	172	0.00	1857750	5.23
	Purchase (22-11-2019)	13700	0.04	1871450	5.26
	Purchase (29-11-2019)	32050	0.09	1903500	5.35
	Purchase (06-12-2019)	6223	0.02	1909723	5.37
	Purchase (13-12-2019)	26794	0.08	1936517	5.45
	Purchase (20-12-2019)	8583	0.02	1945100	5.47
	Purchase (27-12-2019)	3800	0.01	1948900	5.48
	Purchase (31-12-2019)	6100	0.02	1955000	5.50
	Purchase (03-01-2020)	22000	0.06	1977000	5.56
	Purchase (14-02-2020)	8800	0.02	1985800	5.59
	Purchase (21-02-2020)	10200	0.03	1996000	5.61
	Purchase (28-02-2020)	27800	0.08	2023800	5.69
	Purchase (06-03-2020)	61700	0.17	2085500	5.87
Purchase (13-03-2020)	70400	0.20	2155900	6.06	
Purchase (20-03-2020)	105323	0.30	2261223	6.36	
Purchase (27-03-2020)	2700	0.01	2263923	6.37	
At the end of the year	--	--	2263923	6.37	

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	Life Insurance Corporation of India	1559181	4.43	1559181	4.39
	Sale (05-04-2019)	(2762)	(0.01)	1556419	4.38
	Sale (12-04-2019)	(44394)	(0.13)	1512025	4.25
	Sale (03-05-2019)	(38110)	(0.11)	1473915	4.15
	Sale (24-05-2019)	(2620)	(0.01)	1471295	4.14
	Sale (31-05-2019)	(62740)	(0.18)	1408555	3.96
	Sale (07-06-2019)	(13990)	(0.04)	1394565	3.92
	Sale (21-06-2019)	(13933)	(0.04)	1380632	3.88
	Sale (19-07-2019)	(2428)	(0.01)	1378204	3.88
	Sale (07-02-2020)	(11084)	(0.03)	1367120	3.85
	Sale (14-02-2020)	(7165)	(0.02)	1359955	3.83
	Sale (21-02-2020)	(2986)	(0.01)	1356969	3.82
	At the end of the year	--	--	1356969	3.82
3	Kamal Singal	366015	1.04	366015	1.03
	Allotment (27-05-2019)	75000	0.21	441015	1.24
	Allotment (15-07-2019)	200000	0.56	641015	1.80
	At the end of the year	--	--	641015	1.80
4	Mauryan First	572914	1.63	572914	1.61
	At the end of the year	--	--	572914	1.61
5	Urjita J Master	229000	0.65	229000	0.64
	Purchase (19-04-2019)	500	0.00	229500	0.65
	Purchase (10-05-2019)	3500	0.01	233000	0.66
	Purchase (17-05-2019)	1000	0.00	234000	0.66
	Purchase (31-05-2019)	1500	0.00	235500	0.66
	Purchase (07-06-2019)	500	0.00	236000	0.66
	Purchase (14-06-2019)	1000	0.00	237000	0.67
	Purchase (21-06-2019)	188500	0.53	425500	1.20
	Purchase (29-06-2019)	2000	0.01	427500	1.20
	Purchase (05-07-2019)	1050	0.00	428550	1.21
	Purchase (12-07-2019)	500	0.00	429050	1.21
	Purchase (19-07-2019)	950	0.00	430000	1.21
	Purchase (26-07-2019)	1000	0.00	431000	1.21
	Purchase (09-08-2019)	500	0.00	431500	1.21
	Purchase (23-08-2019)	500	0.00	432000	1.22
	Purchase (30-08-2019)	500	0.00	432500	1.22
	Sale (06-09-2019)	(6000)	(0.02)	426500	1.20
	Purchase (13-09-2019)	500	0.00	427000	1.20
	Purchase (20-09-2019)	2500	0.01	429500	1.21
	Purchase (27-09-2019)	3500	0.01	433000	1.22
	Purchase (04-10-2019)	1000	0.00	434000	1.22
	Purchase (11-10-2019)	1000	0.00	435000	1.22
	Purchase (18-10-2019)	4689	0.01	439689	1.24
	Purchase (25-10-2019)	16311	0.05	456000	1.28
	Purchase (01-11-2019)	4500	0.01	460500	1.30
	Purchase (08-11-2019)	6500	0.02	467000	1.31
Purchase (15-11-2019)	1500	0.00	468500	1.32	

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Purchase (22-11-2019)	1500	0.00	470000	1.32
	Purchase (29-11-2019)	6000	0.02	476000	1.34
	Purchase (06-12-2019)	1000	0.00	477000	1.34
	Purchase (13-12-2019)	500	0.00	477500	1.34
	Purchase (20-12-2019)	1000	0.00	478500	1.35
	Purchase (27-12-2019)	3000	0.01	481500	1.35
	Purchase (31-12-2019)	1000	0.00	482500	1.36
	Purchase (03-01-2020)	1000	0.00	483500	1.36
	Purchase (10-01-2020)	3500	0.01	487000	1.37
	Purchase (17-07-2020)	6500	0.02	493500	1.39
	Purchase (24-01-2020)	6000	0.02	499500	1.40
	Purchase (31-07-2020)	3000	0.01	502500	1.41
	Purchase (07-02-2020)	4000	0.01	506500	1.42
	Purchase (14-02-2020)	2500	0.01	509000	1.43
	Purchase (21-02-2020)	1500	0.00	510500	1.44
	Purchase (28-02-2020)	500	0.00	511000	1.44
	Purchase (06-03-2020)	500	0.00	511500	1.44
	Purchase (13-03-2020)	500	0.00	512000	1.44
	Purchase (20-03-2020)	1000	0.00	513000	1.44
	Purchase (31-03-2020)	500	0.00	513500	1.44
	At the end of the year		--	513500	1.44
6	Jagdish Gajanan Dalal	218843	0.62	218843	0.62
	Purchase (07-06-2019)	45000	0.13	263843	0.74
	At the end of the year		--	263843	0.74
7	KIFS Trade Capital Private Limited	234	0.00	234	0.00
	Sale (05-04-2019)	(57)	0.00	177	0.00
	Purchase (12-04-2019)	164064	0.46	164241	0.46
	Sale (19-04-2019)	(156374)	(0.44)	7867	0.02
	Purchase (26-04-2019)	193161	0.54	201028	0.57
	Sale (03-05-2019)	(628)	0.00	200400	0.56
	Purchase (10-05-2019)	7364	0.02	207764	0.58
	Purchase (17-05-2019)	8524	0.02	216288	0.61
	Purchase (24-05-2019)	2574	0.01	218862	0.62
	Purchase (31-05-2019)	10819	0.03	229681	0.65
	Sale (07-06-2019)	(3409)	(0.01)	226272	0.64
	Purchase (14-06-2019)	2114	0.01	228386	0.64
	Purchase (21-06-2019)	7347	0.02	235733	0.66
	Purchase (29-06-2019)	6367	0.02	242100	0.68
	Purchase (05-07-2019)	1500	0.00	243600	0.69
	Purchase (12-07-2019)	190	0.00	243790	0.69
	Sale (26-07-2019)	(6614)	(0.02)	237176	0.67
	Purchase (02-08-2019)	2915	0.01	240091	0.68
	Sale (09-08-2019)	(26423)	(0.07)	213668	0.60
	Sale (16-08-2019)	(3469)	(0.01)	210199	0.59
	Sale (23-08-2019)	(1213)	0.00	208986	0.59
	Sale (30-08-2019)	(351)	0.00	208635	0.59

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Sale (06-09-2019)	(1987)	(0.01)	206648	0.58
	Purchase (13-09-2019)	5575	0.02	212223	0.60
	Sale (20-09-2019)	(4381)	(0.01)	207842	0.58
	Sale (27-09-2019)	(1922)	(0.01)	205920	0.58
	Sale (04-10-2019)	(4932)	(0.01)	200988	0.57
	Purchase (11-10-2019)	2178	0.01	203166	0.57
	Sale (18-10-2019)	(3655)	(0.01)	199511	0.56
	Purchase (25-10-2019)	722	0.00	200233	0.56
	Purchase (01-11-2019)	1320	0.00	201553	0.57
	Sale (08-11-2019)	(981)	0.00	200572	0.56
	Sale (15-11-2019)	(560)	0.00	200012	0.56
	Purchase (22-11-2019)	1331	0.00	201343	0.57
	Sale (29-11-2019)	(1810)	(0.01)	199533	0.56
	Sale (06-12-2019)	(30)	0.00	199503	0.56
	Purchase (13-12-2019)	455	0.00	199958	0.56
	Sale (20-12-2019)	(455)	0.00	199503	0.56
	Purchase (31-12-2019)	1544	0.00	201047	0.57
	Purchase (03-01-2020)	3031	0.01	204078	0.57
	Purchase (10-01-2020)	6753	0.02	210831	0.59
	Sale (17-01-2020)	(11324)	(0.03)	199507	0.56
	Sale (24-01-2020)	(3)	0.00	199504	0.56
	Purchase (31-01-2020)	5884	0.02	205388	0.58
	Purchase (07-02-2020)	1296	0.00	206684	0.58
	Sale (14-02-2020)	(5981)	(0.02)	200703	0.56
	Sale (21-02-2020)	(9999)	(0.03)	190704	0.54
	Purchase (28-02-2020)	219	0.00	190923	0.54
	Purchase (06-03-2020)	1096	0.00	192019	0.54
	Purchase (13-03-2020)	3673	0.01	195692	0.55
	Purchase (20-03-2020)	1613	0.00	197305	0.55
	Sale (27-03-2020)	(7602)	(0.02)	189703	0.53
	Purchase (31-03-2020)	230	0.00	189933	0.53
	At the end of the year	--	--	189933	0.53
8	Champaklal Babaldas Vora	132730	0.38	132730	0.37
	Sale (14-06-2019)	(171)	0.00	132559	0.37
	Purchase (01-11-2019)	1044	0.00	133603	0.38
	Purchase (08-11-2019)	4500	0.01	138103	0.39
	Purchase (07-02-2019)	1850	0.01	139953	0.39
	At the end of the year	--	--	139953	0.39
9	Saral Bhanshali	113211	0.32	113211	0.32
	At the end of the year	--	--	113211	0.32
10	IL and FS Securities Services Limited	221669	0.63	221669	0.62
	Sale (05-04-2019)	(1758)	0.00	219911	0.62
	Sale (12-04-2019)	(164213)	(0.46)	55698	0.16
	Sale (26-04-2019)	(6450)	(0.02)	49248	0.14
	Sale (03-05-2019)	(561)	0.00	48687	0.14
	Sale (10-05-2019)	(44989)	(0.13)	3698	0.01

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Sale (17-05-2019)	(3000)	(0.01)	698	0.00
	Sale (24-05-2019)	(213)	0.00	485	0.00
	Sale (14-06-2019)	(290)	0.00	195	0.00
	Sale (21-06-2019)	(95)	0.00	100	0.00
	Sale (08-11-2019)	(80)	0.00	20	0.00
	Sale (15-11-2019)	(20)	0.00	0	0.00
	At the end of the year	--	--	0	0.00

Notes: 1. The above information is based on the weekly beneficiary position received from Depositories.
2. The Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholders.

(v) Shareholding of Director & Key Managerial Personnel

Sr. No.	For Each Director & Key Managerial Personnel	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Sanjay S. Lalbhai - Chairman				
	At the beginning of the year	200155	0.57	200155	0.56
	Date wise increase/decrease in shareholding during the year	--	--	200155	0.56
	At the end of the year	--	--	200155	0.56
2	Mr. Kamal Singal - Managing Director & CEO				
	At the beginning of the year	366015	1.04	366015	1.03
	Allotment of Equity Shares (27-05-2019)	75000	0.21	441015	1.24
	Allotment of Equity Shares (15-07-2019)	200000	0.56	641015	1.80
	At the end of the year	--	--	641015	1.80
3	Mr. Pratul Shroff - Independent Director				
	At the beginning of the year	116	0.00	116	0.00
	Date wise increase/decrease in shareholding during the year	--	--	116	0.00
	At the end of the year	--	--	116	0.00
4	Mr. Nirav Shah - Independent Director				
	At the beginning of the year	15	0.00	15	0.00
	Date wise increase/decrease in shareholding during the year	--	--	15	0.00
	At the end of the year	--	--	15	0.00
5	Mr. Prakash Makwana - Company Secretary				
	At the beginning of the year	210	0.00	210	0.00
	Purchase (24-05-2018)	100	0.00	110	0.00
	Purchase (21-09-2018)	100	0.00	410	0.12
	At the end of the year	--	--	410	0.12

Note: Mr. Kulin S. Lalbhai - Non-Executive Director; Mr. Prem Prakash Pangotra - Independent Director, Ms. Pallavi Vyas - Independent Director and Mr. Mehl Shah - Chief Financial Officer of the Company did not hold any equity shares in the Company.

V. INDEBTEDNESS:

(₹ in Lacs)

Standalone	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	17009.22	89.04	--	17098.26
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	15.74	--	--	15.74
Total (i+ii+iii)	17024.96	89.04	--	17114.00
Change in Indebtedness during the financial year				
Additions	15435.23	--	--	15435.23
Reduction	15892.04	89.04	--	15981.08
Net Change	(456.81)	(89.04)	--	(545.85)
Indebtedness at the end of the financial year				
(i) Principal Amount	16530.65	--	--	16530.65
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	37.50	--	--	37.50
Total (i+ii+iii)	16568.15	--	--	16568.15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole time director and/or Manager

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary	Mr. Kamal Singal	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,81,65,644	2,81,65,644
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961.	41370*	41370*
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--
2	Stock option	--	--
3	Sweat Equity	--	--
4	Commission		
	as % of profit	3060000	3060000
	others (specify)		
5	Others, please specify		
	NPS,PF, Gratuity and Super Annuation	1031875	1031875
Total (A)		322,98,889	322,98,889
Ceiling as per the Act**		10% of the net profits of the Company	

* Excluding ₹ 16400625 towards the perquisite value being the difference between exercise price and market price on exercise date in respect of ESOPs.

**Remuneration paid to the Managing Director is within the ceiling provided under Section 197 of the Companies Act, 2013.

B. Remuneration to other directors

Particulars of Remuneration	Name of Directors						Total Amount
	Non - Executive - Independent				Non - Executive Non Independent		
	Mr. Pratul Shroff	Mr. Prem Prakash Pangotra	Mr. Nirav Shah	Ms. Pallavi Vyas*	Mr. Sanjay S. Lalbhai	Mr. Kulin S. Lalbhai	
(a) Fee for attending board and committee meetings	80000	190000	110000	60000	0	0	440000
(b) Commission	500000	500000	500000	400000	0	0	1900000
(c) Others, please specify	0	0	0	0	0	0	0
Total	580000	690000	610000	460000	0	0	2340000
Ceiling as per the Act	1% of the Net profits of the Company						
Total Managerial Remuneration							34638889
Overall Ceiling as per the Act	11% of the Net profits of the Company						

*. Appointed w.e.f. 5th August, 2019.

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Kamal Singal	Mr. Mehul Shah	Mr. Prakash Makwana
		Managing Director & Chief Executive Officer	Chief Financial Officer	Company Secretary
	Details of remuneration for the year/part of the year			
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	28165644	3402073	2739631
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	41370*		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		34170	32400
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission		--	--
	- as % of profit	3060000		
	- others, specify			
5	Others, please specify			
	- NPS, PF, Gratuity and Super Annuation	1031875	224033	173066
Total		32298889	3660276	2945097

* Excluding ₹ 16400625 towards the perquisite value being the difference between exercise price and market price on exercise date in respect of ESOPs.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
COMPANY/DIRECTORS/OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Annexure- E to the Directors' Report

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Particulars	Status	Number of times	
			If total remuneration of the director is considered	If total remuneration of the Director excluding variable pay and commission is considered
(i)	The ratio of the remuneration of each director to median remuneration of the employees of the Company for F.Y. 2019-20.	Mr. Sanjay S. Lalbhai	0.00	0.00
		Mr. Kamal Singal	65.90	64.63
		Mr. Kulin S. Lalbhai	0.00	0.00
		Mr. Pratul Shroff	1.18	0.16
		Mr. Prem Prakash Pangotra	1.41	0.39
		Mr. Nirav Shah	1.24	0.22
		Ms. Pallavi Vyas*	0.94	0.12
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the F.Y. 2019-20.	Directors		%
		Mr. Sanjay S. Lalbhai		NA
		Mr. Kulin S. Lalbhai		NA
		Mr. Pratul Shroff		0.00
		Mr. Prem Prakash Pangotra		1.00
		Mr. Nirav Shah		3.00
		Ms. Pallavi Vyas*		NA
		Managing Director & CEO		
		Mr. Kamal Singal		11%
		Chief Financial Officer		
		Mr. Mehul Shah		(7%)
		Company Secretary		
		Mr. Prakash Makwana		3%
(iii)	The percentage increase in the median remuneration of employees in the F.Y. 2019-20.	9.00%		
(iv)	The number of permanent employees on the rolls of the Company	190		
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year (i.e. F.Y. 2018-19) and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase for Key Managerial Personnel was 10.34% and for other employees about 8.90%.		
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.		

* Appointed w.e.f. 5th August, 2019.

Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended 31st March, 2020.

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended on 31st March, 2020

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at Arvind SmartSpaces Limited (here onwards will be referred as Arvind SmartSpaces Limited, the Company) is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporate citizen, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We are adopting applicable guidelines and best practices to ensure timely and accurate disclosure of information regarding our financials, performance and governance of the Company.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how is the Company running internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors (**"the Board"**) is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The Company has optimum combination of executive and non-executive directors including Independent Directors with at least one woman director. Given below is the report on Corporate Governance at Arvind SmartSpaces Limited.

2. BOARD OF DIRECTORS

2.1 Composition of the Board:

The Board has 7 (seven) Directors, comprising of Chairman, 1 (one) Managing Director & CEO, 2 (two) Non - Executive Non Independent Directors including Chairman and 4 (four) Non-Executive Independent Directors including Woman Director. The Non-Executive Independent Directors are leading professionals from varied fields who take care of the stakeholder's interest and bring in independent judgment to the Board's discussions and deliberations.

The Composition of the Board as at 31st March, 2020 is as under:

Sr. No.	Name of Director	Executive/Non-executive/ Independent Director	No. of Directorships Held in Public Limited Companies (Including the Company.)*	*Committee(s) position (Including the Company)	
				Member	Chairman
1	Mr. Sanjay S. Lalbhai	Chairman and Non-Executive Director	5	1	1
2	Mr. Kamal Singal	Executive Director	1	2	0
3	Mr. Kulin S. Lalbhai	Non-Executive Director	6	1	0
4	Mr. Pratul Shroff	Independent Director	1	1	1
5	Mr. Prem Prakash Pangotra	Independent Director	1	2	0
6	Mr. Nirav Shah	Independent Director	5	4	0
7	Ms. Pallavi Vyas***	Independent Director	1	0	0

* All the Companies have been considered excluding Companies incorporated under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and Companies incorporated outside India.

Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"**).

*** Appointed w.e.f. 5th August, 2019.

2.2 List of Directorship in other listed entities:

Sr. No.	Name of Director	Name of Listed Entities	Designation	Audit Committee		Stakeholders' Relationship Committee	
				Member	Chairman	Member	Chairman
1	Mr. Sanjay S. Lalbhai	Arvind SmartSpaces Limited	Chairman & Non-Executive Director	-	-	-	✓
		Arvind Limited	Chairman & Managing Director	-	-	✓	-
		The Anup Engineering Limited	Chairman & Non-Executive Director	-	-	-	-
		Arvind Fashions Limited	Chairman & Non-Executive Director	-	-	-	-
2	Mr. Kamal Singal	Arvind SmartSpaces Limited	Managing Director & CEO	✓	-	✓	-
3	Mr. Kulin S. Lalbhai	Arvind SmartSpaces Limited	Non-Executive Director	-	-	-	-
		Arvind Limited	Executive Director	-	-	-	-
		Arvind Fashions Limited	Non-Executive Director	-	-	-	-
		Zyduz Wellness Limited	Independent Director	✓	-	-	-
4	Mr. Pratul Shroff	Arvind SmartSpaces Limited	Independent Director	-	✓	✓	-
5	Mr. Prem Prakash Pangotra	Arvind SmartSpaces Limited	Independent Director	✓	-	✓	-
6	Mr. Nirav Shah	Arvind SmartSpaces Limited	Independent Director	✓	-	-	-
		Jayatma Enterprises Limited	Director	✓	-	✓	-
		Jayatma Industries Limited	CEO & Director	✓	-	✓	-
7	Ms. Pallavi Vyas*	Arvind SmartSpaces Limited	Independent Director	-	-	-	-

* Appointed w.e.f. 5th August, 2019.

2.3 Matrix showing skills/expertise/competencies of Directors:

The Company is engaged in the business of Real Estate Development. The Board comprises of highly renowned professionals drawn from diverse fields. For its effective collective functioning, the Board has identified broad skills/expertise/competencies required in the context of its business and the sector in which it operates viz. (a) standing and knowledge with significant achievements in business, professions and public services (b) financial or business literacy/skills (c) real estate industry experience and the same are available among the Board collectively.

Sr. No.	Name of Director	Skills/Expertise/Competencies
1	Mr. Sanjay S. Lalbhai	Industrialist, Entrepreneur, Board Service & Governance, strategic thinking, track record of spotting disruptive opportunities ahead of time, ability to take calibrated risk, Sales and marketing including an understanding of consumer markets in India etc.
2	Mr. Kamal Singal	Expertise in construction and real estate development along with product delivery, production planning, quality control, technology advancement, financial planning, formulation and its implementation of Strategies
3	Mr. Kulin S. Lalbhai	Industrialist, Entrepreneur, Technology Expert, Sales and marketing including an understanding of consumer markets in India, innovation management to ensure continuing relevance of Company's offerings under changing market etc.
4	Mr. Pratul Shroff	Entrepreneur, Expertise in Information, Communication and Technology (ICT).
5	Mr. Prem Prakash Pangotra	Expertise in Urban Management, Urban Economics, Environment Management and Public Finance.
6	Mr. Nirav Shah	Entrepreneur, Industrialist, Expertise in International Business Strategies and Corporate Finance.
7	Ms. Pallavi Vyas	Expertise in Economics, Public Policy etc. Interest in Labor Economics, Human Capital Theory, Public Health and Development Economics.

2.4 Agendas of the Board and Committee Meetings:

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 7 working days in advance. In addition, for any business exigencies the resolutions are passed by circulation and are placed at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

Invitees & Proceedings:

Apart from the Board members, Chief Financial Officer, Chief Operating Officer, Company Secretary, Business Head - Commercial & Controls also attend the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. Both, the Managing Director and CFO makes presentation on the quarterly, annual operating & financial performance and also annual operating budget.

Head of Internal Audit department, representatives of the Statutory Auditors are the permanent invitees of the Audit Committee meetings to discuss the areas of internal audit as well as highlights of the financial performance of the Company.

The Company also invites prominent experts of the Real Estate Industry to make relevant presentation to the Board / Committee as and when required.

Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance to the Board and the Management.

2.5 Attendance of each Director at the meeting of the Board of Directors and the Last Annual General Meeting:

The Board has held 6 (six) Board Meetings on 11th April, 2019, 2nd May, 2019, 5th August, 2019, 10th October, 2019, 24th October, 2019 and 30th January, 2020 during the Financial Year 2019-20. The gap between two Board Meetings was within the maximum time gap prescribed in the Companies Act, 2013 and Listing Regulations. The attendance of each Director at these Board Meetings and last Annual General Meeting was as under:

Sr. No.	Name of Directors	Number of Board Meetings held during the year	Number of Board Meetings attended	Whether Present at the Last AGM held on 5 th August, 2019
1	Mr. Sanjay S. Lalbhai	6	6	Yes
2	Mr. Kamal Singal	6	6	Yes
3	Mr. Kulin S. Lalbhai	6	6	Yes
4	Mr. Pratul Shroff	6	3	No
5	Mr. Prem Prakash Pangotra	6	5	No
6	Mr. Nirav Shah	6	6	Yes
7	Ms. Pallavi Vyas*	6	4	NA

* Appointed w.e.f. 5th August, 2019.

2.6 Separate Meeting of Independent Directors:

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making process.

None of the Independent Directors serves as “Independent Directors” in more than seven listed companies.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations.

A separate meeting of Independent Directors was held on 30th January, 2020 to review:

- the performance of the Non-Independent Directors (Executive/Non-Executive Directors).
- the performance of the Board of the Company as a whole.
- the performance of Chairman/Chairperson of the Company taking in to account the views of Executive and Non-Executive Directors on the same.
- To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The members of Nomination and Remuneration Committee took note of the above.

2.7 Disclosure of relationships between the Directors inter-se:

Except Mr. Sanjay S. Lalbhai, Chairman and Non-Executive Director and his son Mr. Kulin S. Lalbhai, Non-Executive Director, there is no relationship between the Directors inter-se.

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

Mr. Sanjay S. Lalbhai, Chairman and Non-Executive Director of the Company is holding 200155 Equity Shares equivalent to 0.56% of the total paid up capital of the Company.

During the year under review, none of the Non-Executive Directors hold any convertible instruments of the Company.

2.9 Familiarisation programmes imparted to Independent Directors:

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program including the presentation from the Managing Director & CEO providing information relating to the Company, industry, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The details of the familiarization programme imparted to independent directors is posted on the Company's Website at https://arvindsmartspace.com/wp-content/uploads/2018/05/Familiarisation_Programee_for_IDs.pdf

2.10 Prohibition of Insider Trading Code:

In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated and adopted a Code of Conduct for Prohibition of Insider Trading, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Policy on procedures to be followed while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information.

The codes viz. "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Chief Financial Officer is responsible for implementation of the Code.

All Directors, designated employees/persons and connected persons have affirmed compliance with the code.

2.11 Committees of the Board:

The Board of Directors has constituted 5 (five) committees of the Board viz.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Management Committee

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman/Company Secretary. At each Board Meeting, minutes of these Committee Meetings are placed before the Directors for their perusal and noting.

3. AUDIT COMMITTEE

The Board of Directors of the Company has constituted the Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee of the Company comprises of 4 (four) members out of which 3 (three) members are Non-Executive-Independent Directors. Mr. Pratul Shroff, an Independent Director, acts

as Chairman of the Committee. The Committee members are having requisite experience in the fields of Finance, Accounts and Management. The Chief Financial Officer, Internal Auditor and representatives of Statutory Auditors are the permanent invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

The brief terms of reference and composition of committee are as follows:

3.1 Brief description of the terms of reference:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

3.2 Composition of Audit Committee, number of Meetings held and participation at the Meetings during the year:

As on 31st March, 2020, the Audit Committee consist of 4 (four) members. During the year, the Committee has held 4 Meetings on 2nd May, 2019, 5th August, 2019, 24th October, 2019 and 30th January, 2020.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Pratul Shroff	Independent Director	Chairman	4	2
2	Mr. Prem Prakash Pangotra	Independent Director	Member	4	4
3	Mr. Nirav Shah	Independent Director	Member	4	4
4	Mr. Kamal Singal	Executive Director	Member	4	4

4. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted the Nomination and Remuneration Committee (“NRC”) in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. The NRC of the Company comprises of 3 (three) Directors out of which 2 (two) are Non-Executive-Independent Directors and 1 (one) is Non-Executive Director. Mr. Prem Prakash Pangotra, an Independent Director, acts as Chairman of the Committee.

The brief terms of reference and composition of committee are as follows:

4.1 Brief description of the terms of reference:

Nomination of Directors / Key Managerial Personnel / Senior Management*

1. To evaluate and recommend the composition of the Board of Directors;
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
3. To Consider and recommend to the Board, appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
4. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
5. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
6. To formulate the criteria for determining qualifications, positive attributes and independence of a Director;
7. To review HR Policies and Initiatives.

Remuneration of Directors / Key Managerial Personnel / Senior Management*/ other Employees:

1. Evolve the principles, criteria and basis of Remuneration Policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, senior management and other employees of the Company and to review the same from time to time;
2. The Committee shall, while formulating the policy, ensure the following:
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

* Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

4.2 Composition of Nomination and Remuneration Committee, number of Meetings held and participation at the Meetings during the year:

As on 31st March, 2020, the NRC consist of 3 (three) members. During the year, the NRC has held 3 (three) Meetings on 2nd May, 2019, 5th August, 2019 and 30th January, 2020.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Prem Prakash Pangotra	Independent Director	Chairman	3	3
2	Mr. Pratul Shroff	Independent Director	Member	3	1
3	Mr. Sanjay S. Lalbhai	Non-Executive Director	Member	3	3

4.3 Evaluation of the Board's Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

4.4 Remuneration of Directors:

Remuneration of Executive Directors is recommended by the Nomination & Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company.

The remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders. Non-Executive Independent Directors are paid Sitting Fees of ₹ 10,000/- for every meeting of Board of Directors or Committee attended by them. Apart from this, Non-Executive Directors (other than Managing Director and Whole Time Director(s)) are entitled for commission not exceeding 1% of the net profits of the Company per annum.

Details of remuneration to all the Directors for the financial year 2019-20 is as under:

Sr. No.	Name of Director	Salary (₹)	Perquisites & Allowances (₹)	Sitting Fees (₹)	Retrial Benefits (₹)	Commission / Bonus (₹)
1	Mr. Kamal Singal	28165644	41370*	Nil	1031875	3060000
2	Mr. Sanjay S. Lalbhai	Nil	Nil	Nil	Nil	Nil
3	Mr. Kulin S. Lalbhai	Nil	Nil	Nil	Nil	Nil
4	Mr. Pratul Shroff	Nil	Nil	80000	Nil	500000
5	Mr. Prem Prakash Pangotra	Nil	Nil	190000	Nil	500000
6	Mr. Nirav Shah	Nil	Nil	110000	Nil	500000
7	Ms. Pallavi Vyas**	Nil	Nil	60000	Nil	400000

* Excluding ₹ 16400625 towards the perquisite value being the difference between exercise price and market price on exercise date in respect of ESOPs.

** Appointed w.e.f. 5th August, 2019.

The details of stock options granted to the eligible employees under Arvind infrastructure Limited - Employee Stock Option Scheme 2013 (ESOP-2013) and 2016 (ESOP-2016) are provided in the Director's Report of the Company.

Please refer point No. 6 - Employee Stock Option Scheme in Director's Report.

- (a) There is no pecuniary relationship nor transactions of the Non-Executive Directors i.e. Mr. Sanjay S. Lalbhai, Mr. Kulin S. Lalbhai, Mr. Pratul Shroff, Mr. Prem Prakash Pangotra, Mr. Nirav Shah and Ms. Pallavi Vyas vis-à-vis the Company except remuneration paid as above.
- (b) The Company has disclosed the criteria of making payment to Non-Executive Directors and the same is posted on the website of the Company at

https://arvindsmartspaces.com/wp-content/uploads/2018/05/Criteria_of_making_payment_to_Non_Executive_Directors.pdf

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted the Stakeholders' Relationship Committee ("SRC") in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The SRC of the Company comprises of 4 (four) Directors out of which 2 (two) are Non-Executive Independent Directors, 1 (one) is Non-Executive Director and 1 (one) is Executive Director. Mr. Sanjay S. Lalbhai, Non-Executive Director, acts as Chairman of the Committee.

The brief terms of reference and composition of committee are as follows:

5.1 Brief description of the terms of reference:

1. To specifically look into the redressal of Investors' Grievances pertaining to:
 - Transfer of shares and debentures;
 - Non-receipt of declared dividends, interests and redemption proceeds of debentures;
 - Dematerialization of Shares and debentures;
 - Replacement of lost, stolen, mutilated share and debenture certificates;
 - Non-receipt of rights, bonus, split share and debenture certificates;
 - Non-receipt of balance sheet.
2. To look into other related issues towards strengthening investors' relations.
3. To consider and approve issuance of share / debenture certificates including duplicate share/debenture certificates.
4. To look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors.

5.2 Composition of Stakeholders' Relationship Committee, number of Meetings held and participation at the Meetings during the year:

As on 31st March, 2020, the SRC consists of 4 (four) members. During the year, the SRC has held 4 (four) Meetings on 2nd May, 2019, 5th August, 2019, 24th October, 2019 and 30th January, 2020.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay S. Lalbhai	Non-Executive Director	Chairman	4	4
2	Mr. Pratul Shroff	Independent Director	Member	4	2
3	Mr. Prem Prakash Pangotra	Independent Director	Member	4	4
4	Mr. Kamal Singal	Executive Director	Member	4	4

5.3 Name and designation of Compliance Officer:

Mr. Prakash Makwana, Company Secretary is the Compliance officer of the Company.

5.4 Details of Complaints/Queries received and redressed during 1st April, 2019 to 31st March, 2020:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
0	6	6	0

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee ("CSRC") in compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013. The CSRC of the company comprises of 4 (four) Directors out of which 2 (two) are Non-Executive Independent Directors, 1 (one) is Non-Executive Director and 1 (one) is Executive Director.

The brief terms of reference and composition of committee are as follows:

6.1 Brief description of the terms of reference:

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;
- (b) to finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution / implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act 2013;
- (c) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (d) monitor the Corporate Social Responsibility Policy of the company from time to time;
- (e) review the CSR report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board report;

6.2 Composition of Corporate Social Responsibility Committee, number of Meetings held and participation at the Meetings during the year:

As on 31st March, 2020, the CSRC consists of 4 (four) members. During the year, the CSR has held 2 (two) Meetings on 2nd May, 2019 and 24th October, 2019.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay S. Lalbhai	Non-Executive Director	Chairman	2	2
2	Mr. Prem Prakash Pangotra	Independent Director	Member	2	2
3	Ms. Pallavi Vyas*	Independent Director	Member	2	1
4	Mr. Kamal Singal	Executive Director	Member	2	2

* Appointed w.e.f. 5th August, 2019.

7. MANAGEMENT COMMITTEE OF BOARD OF DIRECTORS

The Board of Directors of the Company has constituted the Management Committee which comprises of 3 (three) Directors out of which 2 (two) are Non-Executive and 1 (one) is Executive Director.

The role and composition of committee are as follows:

7.1 Role of Management Committee:

The Management committee's primary role is to look after the day-to-day business activities of the Company within Board approved direction/framework. The committee meets frequently, as and when need arises, to transact matters within the preview of its terms of reference.

7.2 Composition of Management Committee, number of Meetings held and participation at the Meetings during the year:

As on 31st March, 2020, the Management Committee of Board of Directors consist of 3 (three) Directors. During the year, 17 (Seventeen) Management Committee Meetings were held on various dates.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay S. Lalbhai	Non-Executive Director	Chairman	17	17
2	Mr. Kulin S Lalbhai	Non-Executive Director	Member	17	16
3	Mr. Kamal Singal	Executive Director	Member	17	17

8. INFORMATION OF GENERAL BODY MEETINGS:

8.1 Location and time, where last three Annual General Meetings (AGM) held:

Financial Year	Date	Time	Venue
2018-19	5 th August, 2019	10:00 am	H. T. Parekh Hall, Ahmedabad Management Association, Dr. V. S. Marg, Ahmedabad-380015, Gujarat, India
2017-18	31 st August, 2018	10:00 am	J.B. Auditorium, Ahmedabad Management Association, Opp. Apang Manav Mandal, IIM Road, Dr. V. S. Marg, Ahmedabad - 380015 .
2016-17	14 th September, 2017	10:00 am	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380006.

8.2 Special Resolutions passed in last three Annual General Meetings:

Financial Year	Date	Details of Special Resolution
2018-19	5 th August, 2019	No Special Resolution was passed at the Meeting
2017-18	31 st August, 2018	No Special Resolution was passed at the Meeting
2016-17	14 th September, 2017	No Special Resolution was passed at the Meeting.

8.3 Extraordinary General Meeting (EGM):

During last 3 years, the following Extra Ordinary General Meetings were held:

Financial Year	Date	Time	Venue
2019-20	None	None	None
2018-19	None	None	None
2017-18	25 th January, 2018	09:30 am	J.B. Auditorium, Ahmedabad Management Association, Opp. Apang Manav Mandal, IIM Road, Dr. V. S. Marg, Ahmedabad - 380015 .

8.4 Resolutions passed in last three Extra Ordinary General Meeting:

Financial Year	Date	Details of Special Resolution
2019-20	None	None
2018-19	None	None
2017-18	25 th January, 2018	<ol style="list-style-type: none"> Allotment of 30,00,000 Warrants, convertible into Equity Shares to the Promoter / Promoter Group entities of the Company on Preferential basis. Increase in Authorised Share Capital of the Company from ₹ 35,00,00,000/- divided into 3,50,00,000 (equity shares of ₹ 10/- each to ₹ 50,00,00,000/- divided into 5,00,00,000 equity shares of ₹ 10/- each and consequently the change in existing Clause V of the Memorandum of Association of the company.

8.5 Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:

No resolution has been passed through Postal Ballot during financial year ended on 31st March, 2020.

9. MEANS OF COMMUNICATIONS

9.1 The Quarterly Results are published in Financial Express - All India Editions and Financial Express Gujarati Edition of Ahmedabad and are also posted on Company's Website at www.arvindsmartspaces.com.

9.2 Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. Moreover, the Company's website hosts a special page giving information which investors usually seek.

Presentations are posted on the Company's website at www.arvindsmartspaces.com.

10. GENERAL SHAREHOLDER INFORMATION

10.1 Annual General Meeting:

Date	29 th September, 2020
Time	11:00 a.m.
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA circular dated 5 th May, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

10.2 Financial Calendar:

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

First quarter results	In the middle of August.
Second quarter results	Last week of October.
Third quarter results	Last week of January.
Fourth quarter results / Year end results	In the Middle of May.

10.3 Book Closure:

Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive).

10.4 Dividend payment Date:

Not Applicable.

10.5 Listing on Stock Exchanges:

Equity Shares of the Company are listed on the following Stock Exchanges:

Sr. No.	Name of the Stock Exchange	Code	Address
1	BSE Ltd.	539301	Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001.
2	National Stock Exchange of India Ltd.	ARVSMART	Exchange Plaza, 5 th Floor, Plot No. C/1, G. Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051.

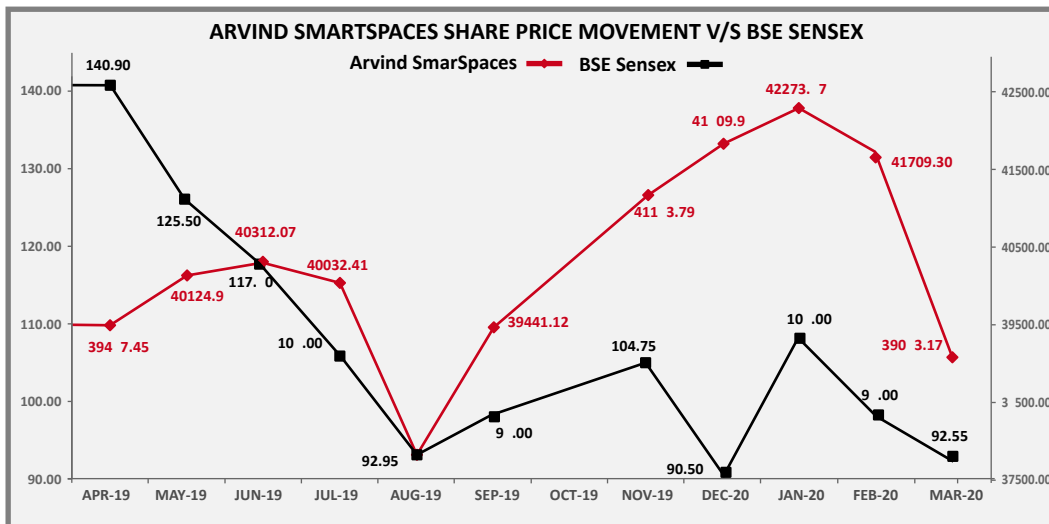
The Company has paid Annual Listing Fees for the Financial Year 2020-2021 to both stock Exchange.

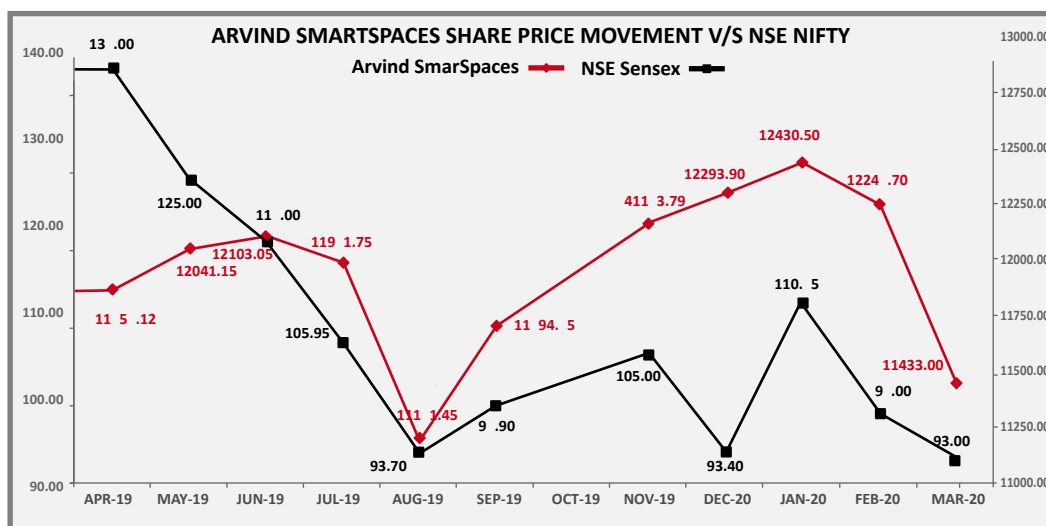
10.6 Market Price data:

The Market and volume of the Company's share traded on BSE Limited and National Stock Exchange of India Limited during the financial year 2019-20 were as under:

Date	Share Price BSE		Volumes No. of Shares	BSE Sensex		Share Price NSE		Volumes No. of Shares	NSE (Nifty)	
	High (₹)	Low (₹)		High	Low	High (₹)	Low (₹)		High	Low
Apr-19	140.90	120.20	51774	39487.45	38460.25	138.00	120.00	310677	11856.15	11549.10
May-19	125.50	102.30	52757	40124.96	36956.10	125.00	106.00	444547	12041.15	11108.30
Jun-19	117.80	97.00	45332	40312.07	38870.96	118.00	97.10	478229	12103.05	11625.10
Jul-19	106.00	76.00	60044	40032.41	37128.26	105.95	86.10	335828	11981.75	10999.40
Aug-19	92.95	78.00	28508	37807.55	36102.35	93.70	82.15	239120	11181.45	10637.15
Sep-19	98.00	84.00	54173	39441.12	35987.80	98.90	83.00	214934	11694.85	10670.25
Oct-19	104.00	79.10	67504	40392.22	37415.83	104.50	70.40	416398	11945	11090.15
Nov-19	104.75	86.00	39829	41163.79	40014.23	105.00	86.15	204118	12158.80	11802.65
Dec-19	90.50	80.10	30255	41809.96	40135.37	93.40	79.60	201447	12293.90	11832.30
Jan-20	108.00	85.00	149638	42273.87	40476.55	110.85	84.50	1073596	12430.50	11929.60
Feb-20	98.00	79.00	47347	41709.30	38219.97	98.00	80.45	371867	12246.70	11175.05
Mar-20	92.55	61.55	56913	39083.17	25638.90	93.00	63.50	688186	11433.00	7511.10

10.7 Performance in comparison to broad-based indices viz. BSE Sensex and Nifty Fifty:





10.8 Registrars and Transfer Agents:

Link Intime India Private Limited

506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre,
Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad 380006.

Tel No. : +91 79 26465179 / 86 / 87

E-mail : ahmedabad@linkintime.co.in

Website : www.linkintime.co.in

10.9 Sharetransfer system:

(I) Delegation of Share Transfer Formalities:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

(II) Share Transfer Details for the period from 1st April, 2019 to 31st March, 2020:

Transactions	Physical
Number of Transfers	85
Average Number of Transfers per month	7
Number of Shares Transferred	1524
Average Number of Shares Transferred per month	127
No. of Pending Share Transfers	NIL

(III) Investors' Grievances:

The Registrar and Transfer Agent under the supervision of the Secretarial Department of the Company look after investors' grievances. Link Intime India Private Limited is responsible for redressal of Investors' Grievances. The Company Secretary of the Company has been appointed as the Compliance Officer for this purpose. At each Meeting of the Stakeholders' Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported.

10.10 Shareholding pattern as on 31st March, 2020.

Please refer Page No. 33 Item no. IV. (i) and (ii) of Annexure D to the Director's Report

10.11 Distribution of shareholding as on 31st March, 2020:

Sr. No.	Shares Range	Number of Shareholders	Total Shares for the Range	% of Issued Capital
1	1 to 500	114079	2858984	8.04
2	501 to 1000	885	699558	1.97
3	1001 to 2000	498	748732	2.11
4	2001 to 3000	155	394564	1.11
5	3001 to 4000	77	274425	0.77
6	4001 to 5000	68	322608	0.91
7	5001 to 10000	112	811281	2.28
8	10001 and above	113	29443398	82.81
	Total	115987	35553550	100.00

10.12 Dematerialisation of shares and liquidity:

Demat ISIN: Equity Shares fully paid: INE034S01021

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on 31st March, 2020, 3,52,91,176 shares representing 99.26% of the issued and paid up capital have been dematerialised by investors and bulk of transfers take place in the demat form.

10.13 Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on equity:

During the financial year 2019-20, the Company has not issued Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments except stock option granted to the eligible employee(s) under AIL ESOP 2013 and 2016 (ESOP Schemes).

10.14 Credit rating:

During the financial year 2019-20, the Company has obtained credit rating for its short term loan of Rs. 100 Crores from Indian Ratings and Research (IRA).

10.15 Commodity price risk or foreign exchange risk and hedging activities:

The Company is not exposed to commodity price risk since it generally executes projects through its contractors.

10.16 Plant / Site locations:

The Company is engaged in Real Estate business activities, it does not have any manufacturing plant. The Company has various projects spread across in and around Ahmedabad, Bengaluru and Pune.

10.17 Address for correspondence:

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agents of the Company:

<p>Arvind SmartSpaces Limited Secretarial Department 24 Government Servant's Society, Near Municipal Market, Off C.G.Road, Navrangpura, Ahmedabad- 380009 Tel No. : 079-68267000 Fax No. : 079-68267021 E-mail : investor@arvindinfra.com Website : www.arvindsmartspace.com</p>	<p>Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad 380006. Tel No : +91 79 26465179 /86 / 87 E-mail : ahmedabad@linkintime.co.in Website : www.linkintime.co.in</p>
---	---

11. OTHER DISCLOSURE:

11.1 There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interest of the Company at large. Suitable disclosure as required under INDAS 24 has been made in the Annual Report. The Related Party Transaction Policy as approved by the Board is posted on the Company's Website at <https://arvindsmartspaces.com/wp-content/uploads/2018/05/AIL-Related-Party-Transaction-Policy.pdf>

11.2 Transactions with related parties are disclosed in detail in "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.

11.3 There are no pecuniary relationships or transactions of Non-executive Directors vis-à-vis the Company which has potential conflict with the interests of the company at large.

No Strictures or penalties have been imposed on the company by the Stock Exchanges or by the Security Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years i.e. 2017-18, 2018-19 and 2019-20 except the penalty imposed by BSE and NSE under Regulation 17(1) of Listing Regulation for not having woman director on Board for 35 days. The non-compliance occurred consequent to introduction and applicability of New Regulation 17(1A) of Listing Regulation, pursuant to which the woman Director had to resign as a director. The Company has complied with the said section and regulation by appointing woman director on the Board.

11.4 During the year ended 31st March, 2020, the Company does not have any Material Unlisted Subsidiary Company as defined in Regulation 16 of the SEBI Listing Regulations. The Company has formed the policy for determining material subsidiary as required by under Regulation 16 of the SEBI Listing Regulations and the same is posted on the Company's website at <https://arvindsmartspaces.com/wp-content/uploads/2018/05/AIL-Policy-on-Material-Subsidiaries.pdf>

11.5 Vigil Mechanism:

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has Whistleblower Policy (WB Policy) which provides a secured avenue to directors, employees, business associates and all other stakeholders of the company for raising their concerns against the unethical practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Pursuant thereto, a dedicated helpline "Arvind Ethics Helpline" has been set up which is managed by an independent professional organization.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud /misconduct on:

Website for complaints: www.in.kpmg.com/ethicshelpline/Arvind

Toll Free No.: 1800 200 8301

Dedicated Email ID: arvind@ethicshelpline.in

Whistle blower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee.

No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.

11.6 Code of Conduct for Directors & Senior Management Personnel:

In terms of Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Managing Director & CEO of the Company has given a declaration to the Company that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Code.

11.7 CEO/CFO Certification:

The Managing Director & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affair. The said certificate is annexed and forms a part of the Annual Report.

11.8 The Independent Directors have confirmed that they meet the criteria of "Independent Director" as stipulated under the Companies Act, 2013 and Listing Regulations.

11.9 The minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Listing Regulations is complied with to the extent applicable.

11.10 The disclosures in relation to the Sexual Harassment of the Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013 is disclosed in the Director's Report forming part of the Annual Report.

11.11 Details of total fees paid to Statutory Auditors:

Details relating to fees paid to the Statutory Auditors are given in Note 25 to the Standalone and Consolidated Financial Statements.

11.12 Certificate from Practicing Company Secretary:

Ms. Ankita Patel, Practicing Company Secretary has issued a certificates that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations which is forming part of the Annual Report.

Further She has issued a certificate as required under the SEBI (LODR) Regulations, 2015, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

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

During the year, the Company has fully complied with the mandatory requirements as stipulated under Listing Regulations.

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in regulation 27(1) of the SEBI Listing Regulations is provided below:

- a. The Board:** The Chairman of the Company is Non-Executive & Non-Independent Director.
- b. Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on company's website www.arvindsmartspaces.com and same are not being sent to the shareholders.
- c. Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.
- d. Separate post of Chairperson and Chief Executive Officer:** Mr. Sanjay S. Lalbhai is the Non - Executive Non Independent Director & Chairman and Mr. Kamal Singal is Managing Director & CEO of the Company.
- e. Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

The above Report was placed before the Board at its meeting held on 25th June, 2020 and the same was approved.

For and on behalf of the Board

Place: Ahmedabad
Date: 25th June, 2020

Sanjay S. Lalbhai
Chairman

CEO/CFO Certification

(Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (LODR).

To,
The Board of Directors
Arvind SmartSpaces Limited

Dear Sirs,

Ref.: Compliance Certificate by Managing Director & Chief Executive Officer (CEO) & Chief Financial Officer (CFO)

We the undersigned, in our respective capacities as Managing Director & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Arvind SmartSpaces Limited (“the Company”) to the best of our knowledge and belief certify that:

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

Place: Ahmedabad

Date: 25th June, 2020

Kamal Singal
Managing Director & CEO

Mehul Shah
Chief Financial Officer

Compliance of conditions of Corporate Governance

To the Members of

Arvind SmartSpaces Limited

I have examined the compliance of conditions of Corporate Governance by the company for the year ended on 31st March, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended on 31st March, 2020.

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

Place: Ahmedabad

Date: 25th June, 2020

CS Ankita Patel

Practicing Company Secretary

FCS No. F8536

C P No. 16497

UDIN : Foo8536Booo377553

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is posted on the Company's website at www.arvindsmartspaces.com

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2020.

Place: Ahmedabad

Date: 25th June, 2020

Kamal Singal

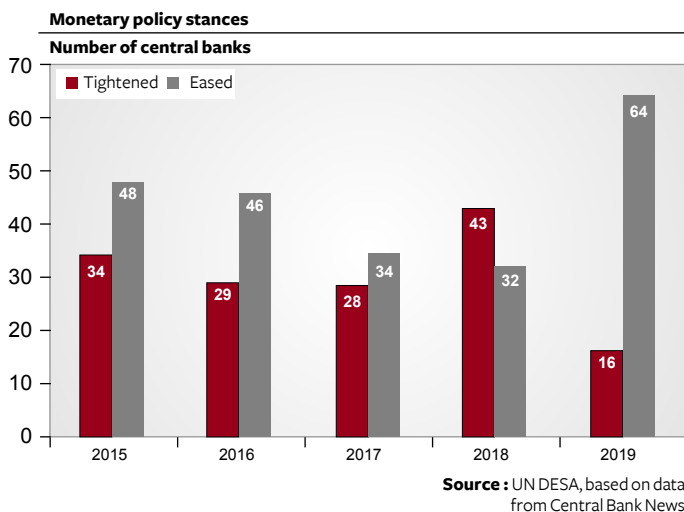
Managing Director & CEO

MANAGEMENT DISCUSSION & ANALYSIS

Global Outlook

The Global economy remained in synchronized slowdown in the year 2019 – growing at 2.9% which is lowest since 2008 global financial crisis. This is a serious climb-down from 2017 numbers of 3.8% when Global economy was in synchronized upswing. This downturn of global economy was obvious consequence of rising trade barriers; elevated uncertainty surrounding trade and geopolitics; idiosyncratic factors causing macroeconomic strain in several emerging market economies. However, the notable feature of lower than expected growth in 2019 was the sharp and geographically broad-based slowdown in manufacturing and global trade.

Some of the key reasons driving this sluggish growth in global trade are higher tariffs and prolonged uncertainty surrounding trade policy which have dented investment and demand for capital goods, which are heavily traded. The other important parameter to note here is that this slowdown in global growth occurred when monetary policy had significantly eased almost simultaneously across advanced and emerging economies.



The absence of inflationary pressure led major central banks to move preemptively to reduce downside risks to growth and to prevent de-anchoring of inflation expectations. This easing out of monetary policy in fact helped negate some of the impacts of US-China trade relations or else the growth would have been slower by 50 basis as envisaged by World Bank.

On the positive side during the second half of 2019, market sentiments were boosted by signs that manufacturing activity and global trade were bottoming out and intermittent favorable news on US – China trade negotiations.

Amid weakening economic activity and lower commodity prices, global inflation moderated further. Since the global financial crisis, developed economies have been persistently showing low inflation which continued in 2019 as well with headline consumer price inflation ranged from 0.7% in Japan to 1.8% in USA. Lower energy prices and limited service sector inflation has helped offset increased producer prices due to trade tensions. While average inflation in developing economies remained fairly stable in 2019 barring few exceptions.

2019, also witnessed sharp decline in business confidence due to which investments took a hit in many countries while commodity prices remained subdued due to slowing demand. Crude oil remained volatile during the entire 2019 due to production cuts in OPEC and Russia owing to slower demand and higher production of US-Shale gas.

Global trade was projected to rise to 3.3% in 2020 with some early signs of stabilization visible in last quarter of 2019 which reinforced financial market sentiments across globe. Currency movements between September and early January reflected the general strengthening of risk sentiment and reduced trade tensions as the US Dollar and Japanese yen weakened while Chinese Renminbi strengthened.

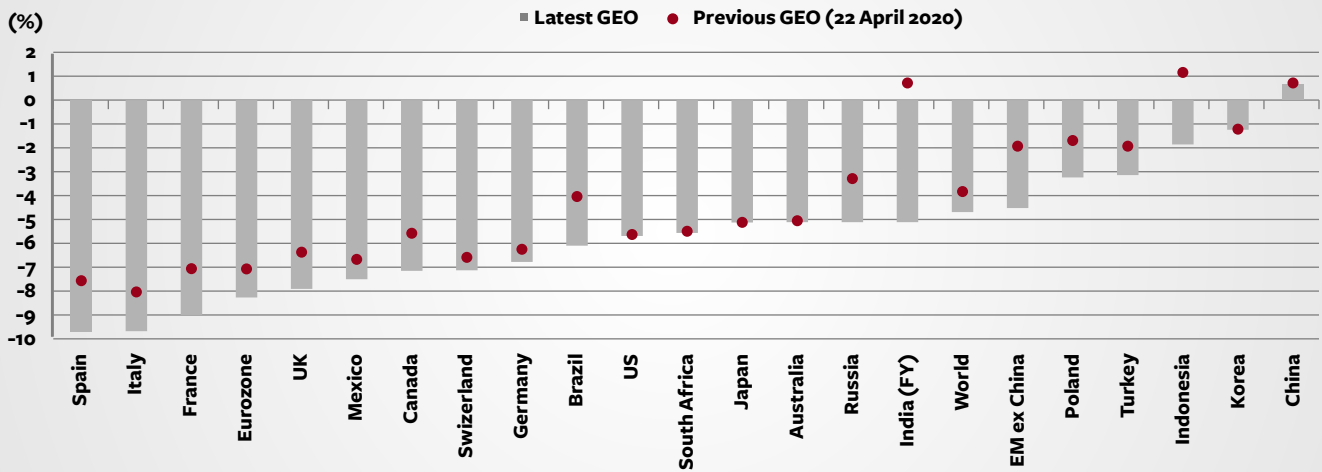
However, any expectation of better growth in 2020 was squashed as early in January 2020 since the outbreak of Covid – 19 in January 2020 in China and the world changed dramatically in the first three months of 2020. A pandemic scenario was always raised by global banks and IMF but none had ever forecasted what it would look like if one actually hits the world and more importantly what it would mean for the global economy.

Effect of Covid 19

World now has faced a grim reality, where exponential growth of contagion means 100 infected individuals become 10,000 in a matter of days reaching to an unimaginable figure of 7 million in just couple of months with hundreds of thousands dead. Since late January 2020, world has been facing a crisis like no other. The shock itself is large which has resulted in output loss associated with health emergency and containment measure put in place. The losses have more than dwarfed the one encountered during global financial crisis and could be worse since World War II. Secondly, there is continued uncertainty across globe about duration and intensity of this shock. Third, major world economies have taken a relook at their economic policies. The containment measures put in place to keep virus in check means stimulating the activity along with Covid 19 would be a more challenging tasks for the world.

On March 11, the WHO announced that the outbreak is officially a pandemic and a growing list of economic indicators suggests that this outbreak is having significant negative impact on global economic outlook affecting global trade, GDP. Now it is expected that the world economy may contract by 3% during the year 2020.

Fitch Rating 2020 GDP Growth Forecasts



Source : Fitch Ratings estimates

Advanced economies are expected to experience an economic contraction of 7.8% in 2020 with US economy to decline by more than 6% and rate of economic growth in Euro region is projected to decline by 7.5%. Most developing and emerging economies are projected to decline by 2% reflecting tightening global financial conditions and falling global trade and commodity prices.

The enormous magnitude of lockdown-related shock to global activity has started to emerge by mid-May in the form of hard macro-economic data. Many world major economies reported contractions during the first three months of 2020 and according to estimate of Fitch ratings, world economy contracted by 3.4% q/q in first quarter of 2020 and it further forecasts that it will decline by 5.8% in second quarter of 2020, numbers simply unthinkable prior to pandemic.

The biggest contribution to downward revision of global economy is evident from emerging economies excluding China. India may see contraction in GDP by 5%, Russia by 6% and Brazil by around 7%. The biggest revision by far has been for India, where the virus outbreak prompted a more severe lockdown which lasted longer than expected.

Governments across world have increased spending to contain the economic activity from further going down which was evident from the borrowings by government which increased from 3.3% in 2019 to 9.9% in first two quarters of 2020. Some signs of recovery emerged from euro zone in Mid-April when France and Italy eased lockdown restrictions which coincided with a pick-up in daily retail visits. Flash PMI readings increased in May in Europe and US (although remained below 50). Taking cue from China's experience where activity increased post lockdown were eased out. Industrial production in China have now recovered to pre-covid levels of December 2019 values with fixed-asset investment rising again. China may post a positive GDP outlook for 2Q2020.

The path back to pre-crisis levels is going to be prolonged unlike China with Job losses and bankruptcies in the lockdown contributing to lasting damage both to demand and supply. With firms also remaining extremely cautious about capex, the post-crisis recovery in emerging economies may not see pre-covid levels before the end of 2021.

India Economic Outlook

India's GDP growth reduced to 4.2% in the Financial Year 2019-20 after growing 6.1% in previous year. India's GDP grew at 3.1% in January – March 2020 which is the lowest growth since the Lehman Crisis of 2008-09. While sluggishness was visible since the start of financial year 2019-20, Private Investment and Private Consumption are the two biggest sources of slowdown in the economy. The sharp contraction of 6.5% in gross fixed capital formation, which has exhibited de-growth since third quarter of 2019-20, highlights the extent of slowdown in investment intentions.

With a considerable shortfall in tax and non-tax revenues as well as disinvestment proceeds, amid limited expenditure compression, the fiscal deficit stood at Rs 9.4 Trillion in FY2020 which rose from fiscal deficit of FY 2019 figure Rs 6.5 trillion and is 4.6% of GDP. The pace of growth of revenue receipts, and capital expenditure and net lending stood at 8.3% and 9.9% respectively in FY 2020 trailing the revised target for the full year (19.1% and 14.7% respectively).

United States - Forecast Summary

(%)	Ann.Av.2014-18	2018	2019	2020F	2021F
GDP	2.5	2.2	2.3	5.6	4.0
Consumer Spending	3.0	3.0	2.6	-6.8	2.5
Fixed Investment	4.1	4.6	1.3	-10.6	0.3
Net Trade (contribution pp)	-0.4	-0.4	-0.2	0.4	0.0
CPI Inflation (end-year)	1.5	1.9	2.3	0.5	0.9
Unemployment Rate	4.9	3.9	3.7	10.3	7.8
Policy Interest Rate (end-year)	0.83	2.50	1.75	0.25	0.25
Exchange Rate, US\$EUR (end-year)	0.86	0.87	0.89	0.92	0.92

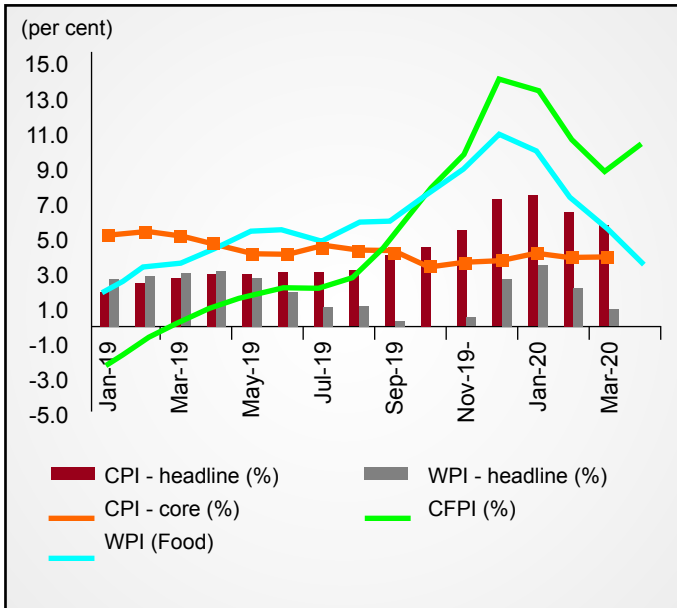
Source : Fitch Ratings

Eurozone - Forecast Summary

(%)	Ann.Av.2014-18	2018	2019	2020F	2021F
GDP	2.0	1.9	1.2	-8.2	4.4
Consumer Spending	1.6	1.4	1.3	-8.2	5.0
Fixed Investment	3.2	2.3	5.7	-5.7	3.6
Net Trade (contribution pp)	0.1	0.4	-0.5	-2.8	-0.2
CPI Inflation (end-year)	0.8	1.5	1.3	-0.4	0.8
Unemployment Rate	10.0	8.0	7.6	10.7	10.5
Policy Interest Rate (end-year)	0.04	0.00	0.00	0.00	0.00
Exchange Rate, US\$EUR (end-year)	1.17	1.15	1.12	1.09	1.09

Source : Fitch Ratings

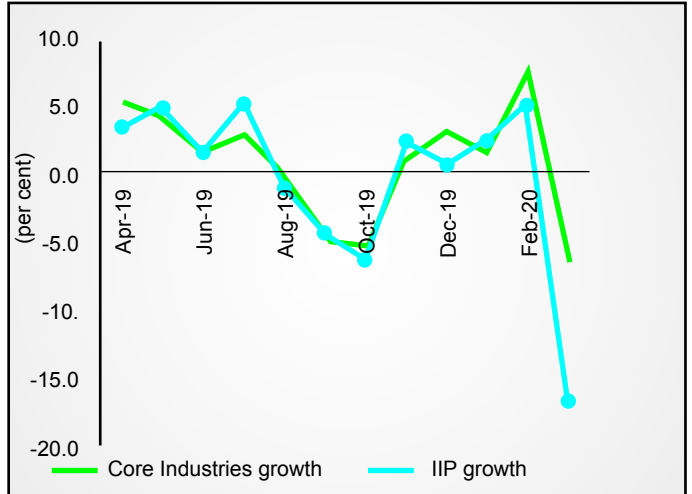
Headline consumer price inflation has remained close to 4% target and core inflation is adjusting down. Inflation data till mid of March 2020 reflects signs of price levels abating in March 2020, decelerating for the third month in a row. Growth in aggregate CPI index was 70 bps lower at 5.9% (YoY) in March 2020 as compared to 6.6% in February 2020 along with food inflation which too declined to 8.8% in March 2020 as compared to 10.8% in February 2020. Spare capacity, a good monsoon, relatively low oil prices and modest increase in minimum support prices for summer crops all contributed to keep the prices low.



Data Source : MoSPI and DPIIT.

Indian economy had begun to regain momentum with clear signs of uptick in consumption and investment towards the end of Q3 FY2020, only to be halted by Covid-19 that made government enforce country-wide lockdown in late March 2020. Green shoots had appeared with IIP, Index of core industries and merchandise exports rebounding with positive growth in February 2020 along with signs of revival in consumer sentiment. However, sharp negative growth of merchandise exports and imports in March 2020 gave first signs of distress having already entered country's economic space. As the lockdown continued, manufacturing and service activity came to a standstill in April 2020 resulting in supply side disruptions and demand falling to unprecedented lows that fed into PMI indices going into a free fall.

India's manufacturing PMI fell sharply from 51.8 in March 2020 to 27.4 in April 2020. Record contractions in output, new orders and employment reflected a severe deteriorations in demand conditions.



Data Source : Department for Promotion of Industry and Internal Trader, Ministry of Statistics and Programme Implementation.

Impact of Covid-19 on FY 2021 Outlook

India's economic activity came to a standstill driven by the lockdown enforced to save nation's vast population from inevitable health risk. While the extended lockdown avoided the risk of a large population getting exposed to Covid-19 simultaneously giving India time to prepare its health infrastructure, it caused a denting impact on the India economy.

(%) FY starting April	Ann.AV.2014-18	FY18-19	FY19-20F	FY20-21F	FY21-22F
GDP	7.4	6.2	3.9	-5.0	9.5
Consumer Spending	7.4	7.4	3.6	-8.3	10.9
Fixed Investment	6.8	9.7	-1.5	-9.7	10.4
Net Trade (contribution pp)	-0.5	-0.4	1.5	1.3	-0.5
CPI Inflation (end-cal.year)	4.7	2.1	7.4	3.3	4.0
Policy Interest Rate (end-cal.year)	6.83	6.50	5.15	3.75	4.00
Exchange Rate, US\$EUR (end-cal.year)	65.18	69.79	71.27	76.00	74.00

Source: Fitch Ratings

It is expected that India's GDP growth for FY 2021 is to fall off a cliff and contract by 5%. While non-agriculture GDP is to contract by 6%, agriculture could cushion the blow by growing at 2.5%. A report from CRISIL identifies that eight states which contribute Half of India's GDP are under "Red Zones". The economic costs now beginning to show up is far worse than expected with PMI for manufacturing and service sectors being at 27.4 and 5.4 respectively in April 2020 implying extraordinary contraction. Exports contracted by 60% in April and new telecom subscribers declined by 35%, while railway freight movement plunged 35% yoy.

Liquidity support has been major part of India's response so far by Reserve bank of India and government. Globally too, liquidity measures have played a lead role in policy response.

In terms of government expenditure, the government seems to be doing everything it can to drive overall economic output and demand. The contribution of government expenditure has not fallen in first half of 2020 i.e. January to May but it remains low as compared to the years 2008 and 2009 following the Lehman crisis. The pickup in economic activity is contingent upon how long it will take for each sector to return to normalcy with constraint in consumption demand expected to continue for few more quarters.

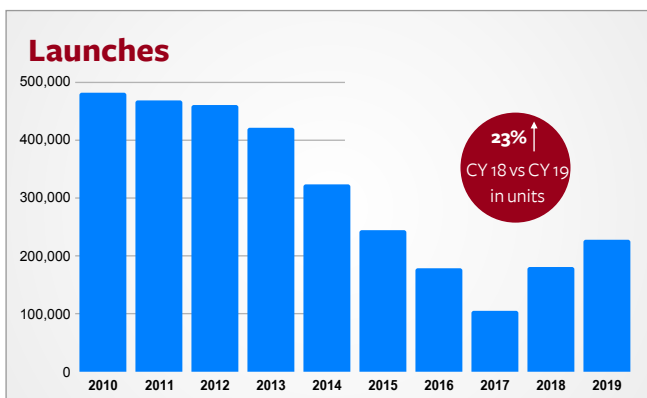
India Real Estate Outlook

A. The Year 2019-20

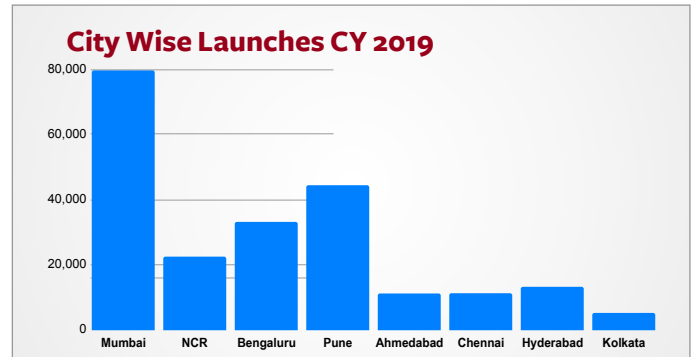
The year 2019-20 was characterized by global economic slowdown accompanied by India's slower economic growth resulting in consumer sentiment taking a beating. Indian real estate sector has been going through turbulent times over the last few years owing to the structural reforms initiated by government such as demonetization, RERA, GST and IBC. While these reforms have brought about much needed transparency and accountability in the sector and will prove to be beneficial for the overall health of the sector in the long run, these had brought about challenges in the near term. The real estate sector was seemingly coming out of these challenges in 2019 with marginal increase in sales bookings across top 7 cities. India's residential real estate market showed some resilience amidst all the gloom – sales of residential units across the top seven cities grew by marginal 1% in CY 2019 vs CY 2018 basis. Launches on the other hand, grew by 23% CY 2019 vs CY 2018 over the last year.

However, the pandemic Covid-19 and consequently lock-down dealt a bloody blow to the sector and brought all economic activities to a grinding halt in the last month of the financial year.

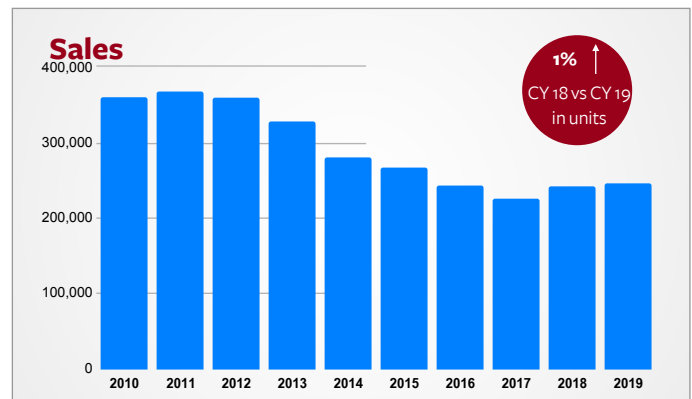
In terms of number of units launched, Q4FY2020 recorded new launches of 54,905 units.



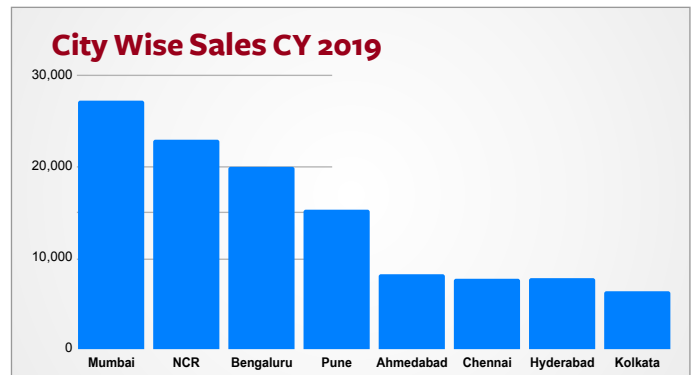
Mumbai and Bengaluru continued to dominate new launches and formed nearly 60% of the overall launches in during the CY 2019. However, smaller markets such as Pune and Hyderabad drew the overall increase in new launches



Sales however took a hit during the same quarter Q42020 with residential units clocking numbers 15,959 units.



Mumbai, Bengaluru and Delhi NCR continued to be major contributor to sales in CY 2019 as well. However, Pune and Hyderabad are not lagging behind when compared to Bengaluru. In all around 245,861 units were sold in CY 2019.



A total of Rs 3.7 Trillion worth inventory is still to be sold which estimates suggests would take around 3.3 years-to-sell if Covid-19 related worries are handled and subsidies by first half CY 2020. The marginal sales improvement in CY 2019 however resulted in overall stagnant unsold inventory which was further worsened by improved launches during the same period.

Another key trend observed was the continued focus of developers on affordable and mid-market segment. Both sales and launches exhibited a strong orientation towards affordable and mid-market segment. 48% of sales and 60% of new launches in the year CY 2019 consisted of affordable and mid-market segment (less than Rs. 50 Lakhs value).

The industry also saw demand consolidation in the sector. As per a report published by a leading institutional equities company, over the period from 2017 to 2019, the residential sales of 10 large listed players have grown by 62% as compared to 24% for the overall market.

The year 2019-20 also saw brisk activity on the investment side. India attracted institutional investment of USD 4.3 billion in its real estate sector during the financial year, which was lower by 13% over the previous financial year. Around 47% of the investment was in the offices sector, retail 14%, warehousing 28% and residential 11%. The decline in investment was mainly due to the sharp decline in investments during the January – March 2020 period, when the pandemic started to spread across the globe.

B. Outlook for FY 20-21

Covid-19 induced pandemic brought about unprecedented challenges to the world. With most economies across the world including India looking at a contraction in GDP in FY 20-21, job losses and salary cuts a reality across board, the consumer sentiment has become understandably weak.

In spite of the immediate challenges, the outlook for residential real estate appears hopeful. We are starting to see activity levels increase in the mid-market/ affordable segment. Walk-ins have started, also quality of the walk-ins have improved since only serious buyers are going for site visits. Ready to move in apartments are seeing good traction, which will help decrease unsold inventory and quarters-to-sell.

We feel that the following trends will play out in the mid-market/ affordable segment of residential real estate:

- a. **Rebound in demand:** Once the current uncertainty subsides to an extent, we expect demand to pick up strongly. The rebound in demand will be driven by the following:
 - i. Affordability at an all-time best: With marginal price increase in the last 7-8 years and income growth during period, affordability improved significantly. With recent reduction in interest rates, affordability has become all-time best.
 - ii. The Covid-19 situation has increased the desire of people to own their own home. While some people staying on rent faced difficulties during this period, others felt that the amount of time spent on home has increased manifold and hence the desire to own his/ her home.
 - iii. Investors are again revisiting real estate as a safe alternative to equities given the volatility in the stock market. A survey by Knight Frank showed that more than 59% of people preferred real estate as against Stock Market, Fixed Deposit and only 8% chose Gold, which today anyway is at all-time high.

- iv. Incremental demand from NRI segment are being observed driven by currency depreciation and uncertain economic environment/ risk of job loss abroad.

Knight Frank
Affordability Matrix

House Price to Income Ration

City Name	2010	2019
Mumbai	11.0	7.1
NCR	6.0	5.0
Bengaluru	5.6	3.9
Pune	4.6	2.5
Chennai	5.4	3.9
Hyderabad	5.7	5.0
Kolkata	5.7	2.9
Ahmedabad	4.3	3.1

- b. **Upward trajectory of prices:** In the mid-market and affordable segment, prices are likely to inch upwards due to rise in input costs, driven by higher material costs due to currency depreciation and higher labour costs due to Covid-19. In addition, we expect supply of apartment to reduce due to developers shying away from making fresh investments amidst the current uncertainty and liquidity crunch. This will lead to demand outstripping supply in the mid-market/ affordable segment and add to the likelihood of price increase.
- c. **Consolidation in the industry:** Consolidation in the industry will further accentuate post the Covid crisis. Customers would prefer to buy with a reputed developer where he/ she is assured of delivery, rather than buy with a grade B developer and risk his/ her capital. In addition, even the supply from grade B developers will shrink due to lack of liquidity and inability to get good deals with landlords.
- d. **Changes in product and promotion:** With social distancing measures in place, many companies have resorted to work from home and have begun to realize the value and cost-effectiveness of remote working. This is likely to lead to a demand for planned work spaces in the apartments. Technology has started playing an important role in the sales funnel from sourcing to driving walk-ins to conversions.

Summarizing, while the immediate future may not be very encouraging for the industry, residential real estate, especially the mid-market and affordable segment, will make a strong come-back in near future. Reputed players with strong balance sheet are likely to gain disproportionately from this phase.

Opportunities & Challenges:

Opportunities & Strengths

- ◆ Policy Reforms like implementation of RERA and GST
- ◆ Well accepted Brand
- ◆ Well-designed Projects at strategic locations & Long term value creating projects
- ◆ Strong balance sheet and consistent financial performance even in challenging market conditions
- ◆ Increased revenue and profit to be recognized in the next 3 to 4 years from the ongoing projects
- ◆ Highly qualified team in terms of execution and implementation
- ◆ Strong and well-defined internal control systems
- ◆ To set industry benchmarks in:
 - Innovative Design & Architecture
 - Customer Relationship Management
- ◆ New geographies – B+ tier cities such as Pune, Hyderabad etc.
- ◆ Strong Government / Local networking
- ◆ Credibility in the industry
 - Continuous Project acquisitions

- Satisfied Confidence

- ◆ Technology leverage – Touchscreens, ERP, customer portal
- ◆ Significant leveraging opportunity for further expansions

Challenges

- ◆ Unanticipated delays in project approval
- ◆ Increased cost of construction and manpower
- ◆ Availability of skilled and trained labor force
- ◆ Over regulated environment

Threats and Weaknesses

- ◆ Time to Market
- ◆ Weak real estate market
- ◆ Unsold inventory in the market
- ◆ Presence in limited geographies
- ◆ Mainly into residential segment

Arvind SmartSpaces Limited (“ASL”) is primarily into residential segment operating in and around Ahmedabad, Bengaluru and Pune market. ASL is currently executing 9 projects through own land, Joint Ventures and Joint Development model. ASL has also successfully executed 9 projects till date.

The description of all projects of the Company till date is provided in the table below:

Sr. No.	Project	Est. Area (Sq. ft.)	Area booked till date (Sq. ft.)	Inventory as on date (Sq. ft.)	Booking value till date (₹ in lacs)	Revenue recognised till date (₹ in lacs)	Project completion (%)	Avg. Price (₹ /Sq. ft.)
1	Alcove	10,32,660	9,84,150	48,510	2,361	2,361	100	240
2	Parishkaar	9,15,809	9,15,809	-	25,423	25,423	100	2,776
3	TradeSquare							
4	Megatrade	80,914	71,820	9,094	2,954	2,881	100	4,113
5	Expansia	1,40,276	1,38,384	1,892	7,364	7,261	100	5,322
6	Citadel	1,01,859	1,01,859	-	5,515	5,515	100	5,415
7	Sporcia	4,92,062	4,84,719	7,343	22,641	22,544	100	4,671
8	Megapark	9,23,391	4,61,484	4,61,907	2,652	2,393	100	575
9	Megaestate	63,119	23,115	40,004	746	501	100	3,228
10	Skylands	4,91,111	2,82,583	2,08,528	14,024	10,870	95	4,963
11	Uplands ONE	31,92,901	25,34,294	6,58,607	37,216	18,994	90	1,468
12	Oasis	5,47,428	2,72,378	2,75,050	13,630	-	45	5,004
13	Aavishkaar	11,39,549	2,21,951	9,17,598	5,732	-	55	2,583
14	Elan	1,34,952	25,855	1,09,097	1,861	-	20	7,197
15	The Edge	1,68,224	41,793	1,26,431	2,727	-	15	6,524
16	Beyond Five	66,74,310	1,26,162	65,48,148	880	-	10	698
17	Forreste	12,71,457	11,62,785	1,08,672	10,724	-	-	922
18	Uplands TWO- Monogram Living	11,12,742	37,860	10,74,882	950	-	-	2,509
19	Belair	4,69,620	-	4,69,620	-	-	-	-
	Total	1,89,52,384	78,87,602	1,10,62,382	1,57,400	98,743		

ASL has recently launched new projects namely Forreste, Uplands Two Monogram Living and Bel Air.

Financial Performance (Standalone)

Equity Share Capital: The equity share capital of the Company as on 31st March, 2020, stood at ₹ 3555 lacs. The change in the share capital of the Company as compared with the previous financial year (₹3523 lacs) is due to allotment of equity shares to the eligible employees under AIL ESOP 2013 Scheme.

Debt Equity: The debt equity ratio of the Company as on 31st March, 2012, is at 0.50.

Revenue: The revenue from operations of the Company is ₹ 151,34 lacs in the FY 2019-20 against ₹ 233,82 lacs in FY 2018-19, declined by 35%.

EBITDA: EBITDA margin during the financial year 2019-20 stood at 23% as compared to 27% for the previous financial year.

Finance Costs: Interest & Financial Charges for the financial year 2019-20 is ₹ 1822 lacs as compared to ₹ 2014 lacs in the previous year, decrease by 9%, which is predominantly on account of Line of Credit facility replaced by unsecured loan from financial institution.

Net Profit: Net profit available for appropriation for the year 2019-20 stood at ₹ 1938 lacs as compared to ₹ 4603 lacs in the previous year, decrease by 58%.

Earnings Per Share (EPS): The Company's Basic Earnings Per Share (EPS) during the current year is ₹ 5.46 as compared to ₹ 13.35 in the previous year and Diluted EPS is ₹ 5.46 as compared to ₹ 13.00 in the previous year.

Financial Performance (Consolidated)

Equity Share Capital: The equity share capital of the Company as on 31st March, 2020, stood at ₹ 3555 lacs. The change in the share capital of the Company as compared with the previous financial year (₹ 3523 lacs) is due to allotment of equity shares to the eligible employee under AIL ESOP 2013 Scheme.

Debt Equity: The debt equity ratio of the Company as on 31st March, 2020, is at 0.74.

Revenue: The revenue from operations of the Company has increased to ₹ 29949 lacs in the FY 2019-20 against ₹ 26209 lacs in FY 2018-19, an increase by 14%.

EBITDA: EBITDA margin during the financial year 2019-20 stood at 30% as compared to 26% for the previous financial year.

Finance Costs: Interest & Financial Charges for the financial year 2019-20 is ₹ 2434 lacs as compared to ₹ 2126 lacs in the previous year, an increase by 14%.

Net Profit: Net profit attributable to Equity holders for the year 2019-20 grew by 28%, from ₹ 3931 lacs as compared to ₹ 3067 lacs in the previous year.

Earnings Per Share (EPS): The Company's Basic Earnings Per Share (EPS) during the current year is ₹ 11.08 as compared to ₹ 8.90 in the

previous year and Diluted EPS is ₹ 11.07 as compared to ₹ 8.66 in the previous year.

Risk Management

ASL is committed to high standard of business conduct with effective risk management policies to achieve sustainable business growth, safeguard interest of stakeholders and to ensure compliance with applicable legal requirements. In line with this objective, ASL has laid out a well-established Risk Management Policy in order to identify the risks, prioritize risk according to their impact and likeliness on the project.

Following are some of the major risk that ASL faces in its business activities along with their respective mitigating measures:

Economic risks

Indian economy has weathered many challenges successfully in recent times and is currently placed on a cyclical upturn, on the back of strong policies and a whiff of new optimism. Though, presently there are signs of improvement on inflation front yet any significant upward revision in crude oil prices may result in increased inflation which may result in increase in interest rates. This can have a direct impact on the performance of the real estate sector and ASL.

ASL is conscious of these risks and is taking measures to mitigate them. For instance, the Company's focus on both residential and township developments has been a significant source of comfort during periods of poor economic performance. Besides, the Company's prudent financial management has also kept it relatively insulated from the economic downturn.

Operational risks

Key operational risks faced by ASL include longer gestation period for procurement of land, time taken for approvals, delay in completion and delivering projects according to the schedule leading to additional cost of construction, lower customer satisfaction etc.

ASL addresses these issues within a well-structured framework which identifies the desired controls and assigns ownership to monitor and mitigate these risks. ASL has also invested in Enterprise Resource Planning (ERP) for developing in-house systems to ensure strict monitoring of project activities and raising flags for exceptions, if any. The Company's Corporate Governance policies ensure transparency in operations, timely disclosures and adherence to regulatory compliances, leading to enhanced stakeholder value.

Liquidity risks

Weak Sales and delay in payments from the customers may hamper the liquidity crunch and can hamper the progress of the projects.

Mitigation Measures: ASL ensures that all the projects are completed in the stipulated time. Even ASL is a well-known brand in West and South India which ensures that the upcoming projects get good response. This helps to maintain the short term credit facilities with the vendors.

Execution risks

Execution depends on several factors which include labour availability, raw material prices, receipt of approvals and regulatory clearances, access to utilities such as electricity and water, weather conditions and the absence of contingencies such as litigation. ASL manages the adversities with cautious approach, meticulous planning and by engaging established and reputed contractors.

Human Resources

The Company's business is managed by a team of competent and passionate people, capable of enhancing your Company's standing in the competitive market. The Company's employees have a defining role in significantly accelerating its growth and transformation, thereby enhancing its position as one of the leading Real Estate Company. The Company has a structured recruitment process. The focus is on recruiting people who have the right mindset for working at ASL, supported by structured training programs and internal growth opportunities. The Company's focus is on unlocking the people potential and further developing their functional, operational and behavioral competencies.

Industry Relations/Initiatives

The Company has taken various initiatives during the FY 18-19 to promote itself as a reputed brand in the real estate industry. ASL participated into various industry specific events/awards to present its key projects to its prospective buyers/customers and fellow developers.

Awards & Recognition

A. Realty Plus Conclave & Excellence Award 2019 - Affordable Housing Project of the Year - June, 2019

Arvind Aavishkaar Project

B. India News Gujarat at Gujarat First Conclave - Best Real Estate Company - August, 2019

Arvind SmartSpaces Limited

C. The Golden Brick Awards, Dubai - Best Golf Course Architecture (national award) - September, 2019

Arvind Uplands Project

CRM & Customer related

A. Customer Portal: Arvind CARE

With the objective of providing a one-stop solution for customer needs and working towards our objective of providing transparency in all the transactions, we have introduced the customer portal – Arvind CARE. It has “Do It Yourself” features like updating your personal details, details of Relationship Manager, writing to us for any queries or clarifications, view your unit's financial details, project overview, construction, updates, details of promotional activities like referral schemes and many more. All kinds of change requests are also received through this portal. The portal has helped in faster resolution of customer

queries and complaints because of monitoring mechanism in place in the portal. A personalised service with an assigned and dedicated Relationship Manager to each of the customer is being provided. The initiative has been well appreciated by many customers.

B. Customer Survey

We conduct Customer Surveys to understand our customers better, know their needs, measure satisfaction with our products and services. It further helps us get inputs from the customers to improve our services and products. The first C-Sat survey for Sporca customers was conducted in Jan'15, which was focussed on understanding the customer's demographics and property purchase behaviour and preferences. Since then we have been conducting regular annual surveys across our projects to improve our services. We have conducted the last survey in Sep'19 through third party agency, 'Market Insight Consultants' for our project 'Arvind Sporca'. The survey was done to understand the customer experience from the booking till possession. The survey indicated that our customers are overall happy with the services being provided to them by our team. The feedback received on various parameters has been discussed and action taken, wherever, found necessary. We have also started giving small token gifts to our customers who participate in the survey.

C. Welcome Kit

To start a relationship with the new customers, we give Welcome Kit to all the new bookings. It gives a new customer personalized feeling with an introductory note, welcome letter and access to Customer Portal, chocolates, Ganesha Statue. It gives them the contact details of Customer Relationship Team along with the cards for refer their friends and give their feedback and suggestions.

D. Newsletter: Spotlight

Spotlight has been started with the purpose of giving our customers news and updates of our company. It showcases our awards and achievement and also give construction updates for all our projects.

E. Diwali Gifts

Diwali is a festival of joy and lights. We celebrate this festival with our customers by presenting them with a Diwali Gift every year. We, as a company, put great emphasis on using eco-friendly material. We try to present innovative gifts every year to our customers. This year we gifted a box containing elegant copper jars with home-made chocolates to our customers.

F. New Year Calendars

We send the New Year wishes to our customers in the form of Calendar every year. This year we presented a calendar showing various landmark architectural buildings.

G. Birthday Cakes

Birthday is a special occasion for every person. To make it extra special for our customers, we have started the birthday cake activity. We send birthday cake to the customer on their birthday (Ahmedabad and Bangalore region). This activity has been quite appreciated by all our members.

In house ERP

The company has also focused on upgrading the IT infrastructure – both in terms of hardware and software. The company is in the process of developing in-house customized ERP systems which will cater to the ever-changing business needs to facilitate informed decisions.

The company has developed and implemented procurement and contracting module in the in-house ERP. Further, the Company is in the process of developing lead management & CRM Module and later on all these modules will be integrated with finance and accounts module.

Legal Compliance Tool

In order to ensure transparency and full compliance of the applicable laws, Company has developed a comprehensive tool which covers entire gamut of compliances applicable to company business. The same has been implemented and also operational during the current financial year.

This tool will enable the company to track and ensure compliance to the regulations in the prescribed time frame. At the same time, it also provides opportunity to develop an efficient plan for go-to market strategy for its projects.

Internal Control & its Adequacy

The Company has adequate internal control systems to commensurate with the size and nature of its business. The system is supported by

documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

Company has an Internal Audit function which conducts periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with applicable laws and regulations. The internal auditors present to the management the findings of their audit, recommend better practices and report on the status of implementation of their recommendations.

Cautionary Statement

This report contains forward-looking statements, identified by words like ‘plans’, ‘expected’, ‘will’, ‘anticipates’, ‘projects’, ‘estimates’ and so on. Statements in this report on Management Discussions and Analysis describing the Company’s objectives, estimates and expectations or projections about the future, but not limited to the Company’s strategy for growth, product development, market position, expenditures and financial results, are forwardlooking statements based on certain assumptions and expectations of future events and reflect the Company’s current analysis of existing trends, information and plans. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results to differ substantially or materially from those expressed or implied. The Company’s actual results, performance or achievements could thus differ from those projected in any forwardlooking statements. The Company assumes no responsibility nor is under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law. All forward-looking statements are qualified in their entirety by this cautionary statement..

BUSINESS RESPONSIBILITY REPORT

Introduction

Arvind SmartSpaces was incorporated in 2008 under the provisions of the Companies Act, 1956 and is India's leading Real Estate Development Company headquarter in Ahmedabad. With approximately 13 million square feet of real estate development across the country, the Company is focused on delivering real estate solutions that add value to the lives of its customers and is fast emerging as a leading corporate real estate player in the country. The Company has real estate developments across Ahmedabad, Gandhinagar, Bangalore and Pune.

This report conforms to the Business Responsibility Reporting ("BRR") requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and the National Voluntary guidelines on the Social, Environmental and Economic Responsibilities of Business ("NVGs") released in 2011.

Section - A: General Information about the Company

1	Corporate Identity Number (CIN)	L45201GJ2008PLCO55771
2	Name of the Company	Arvind SmartSpaces Limited
3	Registered address	24, Government Servant's Society, Nr. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad-380009, Gujarat, India.
4	Website	www.arvindsmartspaces.com
5	E-mail id	investor@arvindinfra.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in	Real Estate Development
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Construction of Residential and Commercial Projects
9	Total number of locations where business activity is undertaken by the Company	Ahmedabad, Gandhinagar, Bangalore and Pune
10	Markets served by the Company – Local / State / National / International	National

Section B: Financial details of the Company

1	Paid up Capital (INR)	₹ 35.55 Crores
2	Total Turnover (INR)	₹ 151.33 Crores
3	Total profit after taxes (INR)	₹ 19.38 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of the average net profit of the Company made during the three immediately preceding Financial Years. The Company's total spending on CSR for the year ended on 31 st March, 2020 was ₹ 37.25 Lakhs which is 2% of the PAT.
5	List of activities in which expenditure in 4 above has been incurred:-	Refer Section 5 of Annexure B to the Directors' Report on Page No. 27.

SECTION C: Other details

1	Any Subsidiary Company/Companies	Yes. Refer to Page No. 32 of Annexure - D to the Director's Report forming part of this Annual Report.
2	Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No, subsidiary companies do not participated in BR initiatives as of now.
3	Do any other entity (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:	No other entities that the Company does business with, participate in its BR initiatives.

BUSINESS RESPONSIBILITY REPORT

SECTION D: BR Information

1 (a) Details of Director/Directors responsible for BR

Name	Mr. Kamal Singal
DIN	02524196
Designation	MD & CEO
Telephone Number	079-6826 7021
Email id	kamal.singal@arvind.in

(b) Details of the BR head

Name	Mr. Sourav Hazra
Designation	COO (West)
Telephone Number	079-6826 7021
Email id	sourav.hazra@arvind.in

2 Principle-wise (as per NVGs) BR Policy / policies

National Voluntary Guidelines		Arvind SmartSpaces's Policies
P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct for Directors and Senior Management Personnel, Related Party Transactions Policy, Whistleblower Policy
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment, Social and Governance guideline / policy
P3	Businesses should promote the well-being of all employees	Safety Policy, Prevention of Sexual Harassment Agreement, Freedom of Association (Code of Conduct), Maternity Policy, health and life insurance policies
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	Whistleblower Policy and Code of Conduct.
P5	Businesses should respect and promote human rights	Code of Conduct, Whistleblower Policy
P6	Business should respect, protect and make efforts to restore the environment	Environment, Social and Governance guideline / policy
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Code of Conduct
P8	Businesses should support inclusive growth and equitable development	CSR Policy, Maternity Policy
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Code of Conduct, Quality Policy

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)										
No.	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All policies have been drafted keeping in view the National and local laws, policies and best practices.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board / Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	N	N	N	N	N	N	N	N	N
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	We have not carried out independent audit of the working of this policy.								

3. Governance related to BR

i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within three months, 3-6 months, annually, more than 1 year:

MD & CEO along with COOs and HODs while meeting for review of operations also discuss applicable BR issues and assess the BR performance of the Company. This discussion happens at least every six monthly.

ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

We are in the process of setting up a section on our website where information relevant to BR and sustainability will be shared on an ongoing basis. Company does not publish a Sustainability report as of now. The BR would be published as an annexure of Annual report and would be available in the investor section of the website.

Section E: Principle-wise Performance

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? (Yes/No). Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Group Corporate Governance practices apply across all businesses including Arvind SmartSpaces and extend to our value-chain partners like suppliers and service providers, sales representatives, contractors, channel partners, consultants, intermediaries and agents; joint-venture partners or other business associates; financial stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved? If so, provide details thereof, in about 50 words or so.

Arvind SmartSpaces Ltd.'s stakeholder includes Investors, clients, employees, vendors / partners, government and local communities. For details on Investor complaints and resolutions, refer to the 'Investor Grievance' in General Shareholder Information Section of Annual Report.

For details on employee grievances and resolutions, the Company has a robust system of Complaints Handling. The complaints are received through a third-party service agency. Such complaints are routed to the Whistle Blower Committee appointed by the Audit Committee. Its members include the Executive Director and Head of Internal Audit. The complaints are investigated and the investigation results are reported to the Audit Committee, along with action taken. The Company has not received any complaints from employees and business partners during the year.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

We have designed all our projects keeping social and/ or environmental concerns in consideration. Few examples include Project Uplands where we planted more than 10,000 trees, implemented Miyawaki method of dense forestation, various water conservation measures such as STP, recharge well etc., Project Forrester where we are planting 10,000+ trees, developing forest trails, campfire points, forest caves, tree hut etc.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain

We constantly look for ways to optimize use of resources across sourcing, production and distribution. During sourcing, we work extensively with our consultants to optimize selection and quantity of raw materials to be used in a project. To reduce water consumption during production, we have used water table recharge wells across our projects. These wells takes water run-off from rooftops, paved areas and roads, filters it and sends it underground to increase the water table. It has proved to be very useful in reducing water consumption during production process, especially for projects with longer tenure. On the distribution front (sales), we have moved to electronic documents/ brochures instead of physical documents/ brochures saving significantly on paper and consequent carbon footprint.

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We are implementing water management solution, named WeGot, at our under construction project BelAir. The platform is able to detect leakages and remotely shut them off in real time from mobile phones. It also tracks abnormal consumption, fixture efficiency and help buildings become more water efficient. We expect to achieve a 50% reduction in usage of water after implementation of this water management solution.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

No

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We encourage local suppliers/ contractors to work with us. In many of our projects, they play an important part in the value chain, from supplying raw materials to executing construction activities at site. We conduct regular training camps on skills improvement, safety etc to upskill such vendors/ their workers. We even have external trainers from companies such as CQRA visit our sites and provide trainings to the vendors and their workers.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

We have installed Sewage Treatment Plants and dual plumbing lines in our projects. These help in using recycled water being used for flushing, gardening etc. We have been able to use 20-30% of our consumption through recycled water. We have also installed organic waste converters in one of our large township project, which can be used to recycle waste into manure.

Principle 3 - Businesses should promote the well-being of all employees

Sr. No.	Particulars	Details
1	Total number of employees on role	190
2	Total number of employees hired on temporary / contractual / casual basis	107
3	Number of permanent women employees	30
4	Number of permanent employees with disabilities	1
5	Do you have an employee association that is recognized by management?	NIL
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7	Please indicate the number of complaints relating to: (i) Child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year; (ii) Sexual harassment; (iii) Discriminatory employment.	There were no complaints against child and forced labour as well as for discriminatory employment during the last financial year. Arvind Internal Complaints Committee (AICCC) conducts the proceeding regarding sexual harassment as defined in the Policy. The case is dealt as per the policy guidelines and ICC recommendations in a fair and just manner. During the financial year 2019-20, the Company has not received any complaint on sexual harassment.
8	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?	20% of our total employees of respective departments were given training on safety and skill upgradation on subject like "Relationships-Selling", and "Concreate Mix Design"

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders?

We recognize the fact that as a large business we have several stakeholder groups each with distinct priorities and diverse interests. We therefore developed a method for structured identification of stakeholder groups, understanding their concerns and incorporating their views in our sustainability strategy. This method was developed as part of a Sustainability Roadmap study by Ernst & Young LLP. Based on various parameters which impact the sustainability of business such as dependency, responsibility, tension and influence, we have distilled down to the following key stakeholders:

- Customers
- Investors
- Employees & Workers
- Local Community
- Media
- Government Agencies
- Suppliers

The stakeholder identification process was followed by reconstitution of our engagement mechanism. Diverse communication platforms were institutionalised for each stakeholder group, with the objective of communicating our company policies and expectations, and collecting timely feedback from stakeholders. In the reporting year too, we continued to engage with all our stakeholder in a two-way dialogue, around the year and through a host of channels:

Stakeholder Group	Objective Engagement	Methodologies
Customers	Develop a sustained relationship Anticipate short and long-term expectations	<ul style="list-style-type: none"> Dedicated relationship managers to ensure customer's needs and concerns are addressed. Dedicated portal available for customers to access information (payment record, due amount, construction status etc) and also to raise concerns. Regular engagement with customer groups to understand their requirements and address these. Greetings and gifts sent to customers during their birthdays/ festivals like Diwali. Provide various tactical supports to customers after possession on goodwill basis. Common facilities designed keeping in mind needs of differently abled customers.
Investors	Understand concerns and expectations, create higher shared value	<ul style="list-style-type: none"> Regular dissemination of financial performance through website, newspapers and published accounts In-depth interactions and investor presentations every half year
Employees & Workers	Understand their career ambitions, job satisfaction parameters, support career growth, training and development Share organisation's vision, short-term and long-term goals, workplace needs and expectations	<ul style="list-style-type: none"> Structured interactive appraisals, career path guidance, training programmes, employee rewards and recognitions, development programmes
Local Community	Maintain enduring relations with local communities	<ul style="list-style-type: none"> Interactions by business development and civil & execution teams SHARDA Trust's activities as referred in CSR Report
Media	Communicate key developments, milestone events, growth plans etc.	<ul style="list-style-type: none"> Media interaction by MD & CEO periodically Media announcements of quarterly reports, annual report and major tie-ups
Government Agencies	Understand compliance and applicable regulations. Brief them on steps taken and discuss opportunities to collaborate on pressing issues	<ul style="list-style-type: none"> Personal meetings Submission of relevant compliance documents Presence in industry forums
Suppliers	Sharing of mutual expectations and needs, especially with regard to quality, cost and timely delivery, growth plans and sharing of best practices	<ul style="list-style-type: none"> Periodic interactions by procurement and sourcing teams

2. Out of the above, has the Company identified the disadvantages, vulnerable and marginalized stakeholders?

No.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

No.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, all companies in the Arvind SmartSpaces Ltd. Group including employees and contractors are covered by CoC standards. Not only our intentions, but also our actions are compliant with all statutory laws and regulations.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved?

Our stakeholder engagement processes are robust and have strong listening mechanisms. In the financial year, there were no human rights violation complaints relating either to child, forced and involuntary labor, discriminatory employment against the Company.

Additionally, all our stakeholders have access to the Whistleblower Policy of the Group.

Principle 6 - Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The policy currently covers all group companies and JVs.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Our strategies are geared towards ensuring conservation of environment and sustainability. We have implemented diverse range of initiatives from water conservation measures (STP, dual plumbing etc) to afforestation (more than 10,000 trees planted at Uplands, dense jungle as per Miyawaki method implemented at Uplands, 10,000 trees being planted at Forrester etc) to having electric charge points for cars (BelAir).

3. Does the Company identify and assess potential environmental risks?

Yes, we identify/ assess the potential environmental risks on an ongoing basis and take appropriate measures to mitigate any risks.

Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, is any environmental compliance report filed? (Please confirm)

Currently we do not have any project related to Clean Development Mechanism.

4. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for webpage etc.

We design our buildings to ensure lot of sunlight and reduced need of artificial lighting. Commercial buildings such as Edge where this is even more important have particularly been designed in such a manner to achieve energy efficiency and reduce costs for occupiers. In some of our projects such as BelAir, we are offering electric charging point for cars allowing them to switch to clean energy.

5. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, we comply with all applicable environmental legislations in the locations we operate from. We monitor and track all parameters as defined by CPCB or SPCBs and ensure that they are maintained within norms.

6. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

None.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.

YES. GIHED and Credai.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.

We work through GIHED/ Credai for advancement of Sustainability agenda on environmental improvements in real estate sector.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

We support inclusive growth and equitable development and do not make any discrimination based on caste, creed, religion, gender etc. All company practices from recruitment to learning and development to appraisals are purely based on merit.

Apart from this, we take various CSR initiatives for the marginalized. As couple of examples, we run crèche and provide mid-day meals for children of labor who stay inside our projects. We ensure regular visit by doctors to our project sites and labor camps.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

We run such programmes ourselves and also sometimes in collaboration with external NGOs.

3. Have you done any impact assessment of your initiative?

We regularly assess the impacts of our social program to check whether they are fulfilling desired objects.

4. What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?

The brief account of CSR Initiatives is given along with the details of the projects undertaken. Please refer Section 5 of Annexure B to the Directors' Report.

5. Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words, or so.

The brief account of CSR Initiatives is given along with the details of the projects undertaken. Please refer Section 5 of Annexure B to the Directors' Report.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

We resolve all the customer queries and complaints in timely and efficient manner. There are no long-standing complaints that are pending resolution.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

We display the information of our products as mandated by law.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

Not applicable.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

We regularly interact with our present and past customers to review their experiences.

INDEPENDENT AUDITOR'S REPORT

To the Members of Arvind SmartSpaces Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Arvind SmartSpaces Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 40 of the accompanying Standalone Ind AS financial statements, as regards the management's evaluation of COVID-19 impact on the operations and assets of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS

financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Revenue from Contract with Customers (Refer note 2.2 of the standalone Ind AS financial statements)	
<p>In accordance with the requirements of Ind AS 115, Company's revenue from real estate projects is recognized at a point in time, which is upon the Company satisfying its performance obligation and the customer obtaining control of the promised asset.</p> <p>Application of Ind AS 115 requires significant judgment in determining when 'control' of the property underlying the performance obligation is transferred to the customer and in assessment of whether the contracts with customers involved any financing element.</p> <p>As the revenue recognition involves significant judgement, we regard this as a key audit matter.</p>	<p>As part of our audit procedures:</p> <ul style="list-style-type: none"> - We obtained and understood management process and controls around transfer of control in case of real estate projects and tested the relevant controls over revenue recognition at a point in time. - We assessed the management evaluation of whether the contracts with customers involved any financing element, taking in to account the consideration received in accordance with the terms of the contract. - We performed test of details, on a sample basis, and inspected the underlying customer contracts, sale deed documents, evidencing the satisfaction of performance obligation and the transfer of control of the property based on which revenue is recognized at a point in time.

	<ul style="list-style-type: none"> - We performed cut off procedures for determination of revenue in appropriate reporting period. - We assessed the disclosures made in the standalone Ind AS financial statements.
--	--

Assessing the carrying value of Inventory (Refer note 2.2 of the standalone Ind AS financial statements)

<p>As at March 31, 2020, the carrying value of the inventory of ongoing and completed real estate projects is Rs.23,186.30 lacs. The inventories are held at the lower of the cost and net realizable value.</p> <p>We identified the assessment of whether carrying value of inventory were stated at the lower of cost and net realizable value (“NRV”) as a key audit matter due to the significance of the balance to the standalone Ind AS financial statements as a whole, involvement of estimations in the assessment and uncertainties in the global economic conditions because of the COVID – 19 pandemic . The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price,</p>	<p>As part of our audit procedures, our procedures included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the management process for determination of the Net realizable value (NRV) including estimating the future costs to completion for stock of ongoing projects - Obtained, read and assessed the management’s process in estimating the future costs to completion for stock of ongoing projects. - Assessed the methods used by the management, in determining the NRV of ongoing and completed real estate projects including assessment made by the management on possible effects that may result from the pandemics relating to COVID-19 on the carrying value of the inventory and tested the underlying assumptions used by the management in arriving at those projections. <p>Performed sensitivity analysis on these key assumptions to assess any potential downside.</p> <p>- For sample of selected projects:</p> <ul style="list-style-type: none"> ● Compared the forecasted costs to complete the project to the construction costs of other similar projects ● Compared the NRV to recent sales in the project or to the estimated selling price. <p>Compared the carrying value to the NRV.</p>
--	---

Assessing carrying value of investment in subsidiaries and joint ventures

<p>As at March 31, 2020, the carrying value of Company’s investment in subsidiaries and joint ventures is Rs. 18,039.79 lacs. Management reviews on a periodical basis whether there are any indicators of impairment of such investments.</p> <p>For investments where impairment indicators exist, management estimated the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. Significant judgements are required to determine the key assumptions used in determination of fair value /value in use.</p> <p>As the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.</p>	<p>Our procedures in assessing the impairment of the investment include the following</p> <ul style="list-style-type: none"> - We evaluated the accounting policies with respect to investment. - We assessed Company’s evaluation of whether there are any indicators of impairment of such investment. - We assessed the Company’s valuation methodology in determining the recoverable amount. - We compared the recoverable amount of the investment to the carrying value in books. - We assessed the disclosures made in the standalone Ind AS financial statements regarding such investments.
---	--

Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the director’s report, but does not include the standalone Ind AS financial statements and our auditor’s report thereon.

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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 standalone Ind AS 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 2 LLPs, whose Ind AS financial statements include Company's share of net (loss) of Rs. (15.99) lakhs and Company's share of total comprehensive income (loss) of Rs. (15.99) lakhs for the year ended March 31, 2020. These Ind AS financial statements and other financial information of the said LLPs have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the standalone Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these LLPs and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the

aforesaid LLPs, is based solely on the reports of such other auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these

standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 20101974AAAABM7491

Place of Signature: Ahmedabad

Date: June 25, 2020

Annexure 1 Referred to in paragraph on report on other Legal and Regulatory Requirements of our report of even date of Arvind Smartspaces Limited For the year ended March 31, 2020

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Property, plant and equipment has been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investment made and, guarantees, and securities given are not applicable to the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(i) of the Companies Act, 2013, related to real estate development, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Name of the statute	Nature of the dues	Amount (Rs. lacs)	Period to which the amount relates	Forum where the dispute is pending
The Income tax Act 1961	Income tax	87.24	PY 2011-12	ITAT
The Income tax Act 1961	Income tax	403.30	PY 2013-14	ITAT
The Income tax Act 1961	Income tax	50.68	PY 2016-17	CIT(A)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing from banks or financial institution. The Company did not have any due payable to the debenture holders and government during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer, further public offer and debt instruments during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence, not commented upon.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 20101974AAAABM7491

Place of Signature: Ahmedabad

Date: June 25, 2020

Annexure 2 to the Independent Auditor’s Report of even date on The Standalone Ind As Financial Statements of Arvind Smartspaces Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Arvind SmartSpaces Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The

procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company’s internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone

financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 20101974AAAABM7491

Place of Signature: Ahmedabad

Date: June 25, 2020

STANDALONE BALANCE SHEET as at 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

	Notes	As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	730.96	776.86
Intangible assets	3.2	3.61	2.02
Intangible assets under development		24.92	2.09
Financial assets			
Investments	4	17,696.59	21,492.00
Loans	5	492.00	455.00
Other financial assets	9	8,572.68	2,213.64
Deferred tax assets (net)	26	44.41	439.27
Income tax assets (net)		404.13	452.38
Other non-current assets	11	110.19	30.17
Total non-current assets		28,079.49	25,863.43
Current Assets			
Inventories	10	23,186.30	24,985.00
Financial assets			
Investments	4	343.20	1,159.16
Trade receivables	6	95.47	59.18
Cash and cash equivalents	7	425.98	362.18
Other bank balances	8	4.42	-
Others financial assets	9	3,165.76	4,127.85
Other current assets	11	619.06	1,095.93
Total current assets		27,840.19	31,789.30
Total assets		55,919.68	57,652.73
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	3,555.36	3,523.36
Other equity	13	28,686.44	27,287.92
Total Equity		32,241.80	30,811.28
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	2,057.77	8,066.71
Long term provisions	17	182.26	159.15
Total non-current liabilities		2,240.03	8,225.86
Current liabilities			
Financial liabilities			
Borrowings	14	8,375.00	89.04
Trade Payables			
Total outstanding dues of micro enterprise and small enterprise	15	-	-
Total outstanding dues of creditors other than micro enterprise and small enterprise	15	2,547.27	1,731.65
Other financial liabilities	16	6,139.80	8,958.25
Other current liabilities	18	4,327.52	7,813.48
Short term provisions	17	48.26	23.17
Total current liabilities		21,437.85	18,615.59
Total equity and liabilities		55,919.68	57,652.73
Summary of Significant Accounting Policies	2.2		

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner
Membership No. : 101974

Place : Ahmedabad
Date : 25th June, 2020

**For and on Behalf of Board of Directors of
Arvind SmartSpaces Limited**

CIN : L45201GJ2008PLC055771

Sanjay S. Lalbhai (DIN-00008329)

Kamal Singal (DIN-02524196)

Mehul Shah

Prakash Makwana

Chairman

MD & CEO

Chief Financial Officer

Company Secretary

Place : Ahmedabad
Date : 25th June, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

	Notes	For the Year 2019-20	For the Year 2018-19
INCOME			
Revenue from operations	19	15,133.84	23,382.00
Other income	20	1,060.62	1,624.90
Total Income		16,194.46	25,006.90
EXPENSES			
Cost of construction materials and components consumed	21	1,324.62	714.21
Land development costs		5,958.23	1,571.69
Construction and labour costs		5,534.97	5,469.66
Changes in inventories	22	(5,201.17)	6,566.00
Employee benefit expenses	23	1,284.03	1,143.15
Finance costs	24	1,822.35	2,013.56
Depreciation and amortisation expense	3:1/3.2	82.39	87.57
Other expenses	25	2,783.93	1,625.62
Total Expenses		13,589.35	19,191.46
Profit before tax		2,605.11	5,815.44
Tax expense:			
Current tax	26	273.22	-
Deferred tax charge/(credit)	26	394.19	1,212.23
Total tax expense		667.41	1,212.23
Net Profit for the year		1,937.70	4,603.21
Other Comprehensive Income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gains/(losses) on defined benefit plans		2.68	(4.02)
Income tax effect	26	(0.68)	1.17
Total other comprehensive income for the year, net of tax		2.00	(2.85)
Total Comprehensive Income for the year		1,939.70	4,600.36
Earnings per equity share (nominal value per share ₹ 10/- (31st March 2019: ₹ 10/-))			
Basic	27	5.46	13.35
Diluted		5.46	13.00
Summary of Significant Accounting Policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner
Membership No. : 101974

Place : Ahmedabad
Date : 25th June, 2020

**For and on Behalf of Board of Directors of
Arvind SmartSpaces Limited**

CIN : L45201GJ2008PLC055771

Sanjay S. Lalbhai (DIN-00008329)

Kamal Singal (DIN-02524196)

Mehul Shah

Prakash Makwana

Chairman

MD & CEO

Chief Financial Officer

Company Secretary

Place : Ahmedabad
Date : 25th June, 2020

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

	For the Year 2019-20	For the Year 2018-19
A. Cash flow from operating activities		
Profit for the year before tax	2,605.11	5,815.44
Adjustments to reconcile profit before tax to net cash flow :		
Profit from limited liability partnerships	(56.24)	(1,665.07)
Depreciation and amortization expense	82.39	87.57
Loss on sale of property plant and equipment (Net)	5.22	7.43
Finance cost	1,822.35	2,013.56
Interest income	(1,027.05)	(1,520.05)
Balances written off	172.93	-
Miscellaneous balances written back	(25.13)	-
Operating profit before working capital changes	3,579.58	4,738.88
Adjustments for:		
Increase / (Decrease) in trade payables	840.75	(1,415.38)
Increase in provisions	45.52	57.25
(Decrease) in other liabilities	(3,483.90)	(8,933.80)
Increase / (Decrease) in financial liabilities	4.42	(3.16)
Decrease in inventory	1,798.70	7,815.79
(Increase)/Decrease in financial assets	(6,834.33)	411.11
(Increase)/Decrease in trade receivables	(36.29)	33.17
Decrease in other assets	346.85	479.68
Cash generated from/(used in) operations	(3,738.70)	3,183.54
Direct taxes paid (Net of refund)	(199.90)	(176.03)
Net cash generated from/(used in) operating activities	(3,938.60)	3,007.51
	[A]	
B. Cash flow from investing activities		
Investments in subsidiaries and joint ventures	(4,769.10)	(5,866.91)
Proceeds from withdrawal of investments in subsidiaries and joint ventures	9,436.71	1,972.50
Loans given	(37.00)	(75.00)
Loans received back	-	900.00
Purchase of property, plant and equipment	(75.65)	(86.25)
Proceeds from Sale of property, plant and equipment	9.52	29.88
Other bank balance - unclaimed dividend	(4.42)	-
Interest received	2,316.86	539.83
Net cash generated from/(used in) investing activities	6,876.92	(2,585.95)
	[B]	

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

		For the Year 2019-20	For the Year 2018-19
C. Cash flow from financing activities			
Proceeds from long term borrowings		7,022.73	9,878.67
Repayment of long term borrowings		(15,876.30)	(8,942.00)
Proceeds from short term borrowings		8,285.96	89.04
Finance cost paid		(1,800.59)	(1,997.81)
Dividend Paid including DDT		(640.08)	-
Proceeds from issue of share capital through warrants & ESOPs (including securities premium)		133.76	685.74
Net cash (used) in financing activities	[C]	(2,874.52)	(286.36)
Net Increase in cash and cash equivalents	[A+B+C]	63.80	135.20
Cash and cash equivalents at the beginning of the year		362.18	226.98
Cash and cash equivalents at the end of the year		425.98	362.18
Components of cash and cash equivalents (Refer note 7)			
Balances with banks		424.56	357.76
Cash in hand		1.42	4.42
		425.98	362.18
Summary of Significant Accounting Policies	2.2		

Notes to the Cash Flow Statement for the year ended on 31st March, 2020.

- The Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.
- Changes in liabilities arising from financing activities :

Particulars	April 1, 2019	Cash Flow	Other	31 st March, 2020
Current borrowings (refer Note 14)	89.04	8,285.96	-	8,375.00
Non-current borrowings (Note 14)	8,066.71	(8,853.57)	2,844.63	2,057.77
Accrued interest (Note 16)	15.74	(15.74)	37.50	37.50
Total liabilities from financing activities	8,171.49	(583.35)	2,882.13	10,470.27

Particulars	April 1, 2018	Cash Flow	Other	31 st March, 2019
Current borrowings (refer Note 14)	-	89.04	-	89.04
Non-current borrowings (Note 14)	10,014.17	936.67	(2,884.13)	8,066.71
Accrued interest (Note 16)	-	-	15.74	15.74
Total liabilities from financing activities	10,014.17	1,025.71	(2,868.39)	8,171.49

Note : The 'other' column includes the effect of reclassification of non-current portion of borrowings to current due to passage of time.

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 25th June, 2020

**For and on Behalf of Board of Directors of
Arvind SmartSpaces Limited**

CIN : L45201GJ2008PLC055771

Sanjay S. Lalbhai (DIN-00008329)

Chairman

Kamal Singal (DIN-02524196)

MD & CEO

Mehul Shah

Chief Financial Officer

Prakash Makwana

Company Secretary

Place : Ahmedabad

Date : 25th June, 2020

Standalone Statement of Changes in Equity for the year ended on 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

Particulars	No. of shares	Amount
A. Equity share capital (Refer Note 12)		
As at 1st April, 2018	3,18,67,550	3,186.76
Issued during the year pursuant to preferential share warrants	30,00,000	300.00
Issued during the year pursuant to exercise of ESOP	3,66,000	36.60
As at 31st March, 2019	3,52,33,550	3,523.36
Issued during the year pursuant to preferential share warrants	-	-
Issued during the year pursuant to exercise of ESOP	3,20,000	32.00
As at 31st March, 2020	3,55,53,550	3,555.36

B. Other Equity

Particulars	Attributable to equity holders of the Company (Refer Note 13)				Other comprehensive income	Total other equity
	Securities Premium	Share based Payment Reserve	Retained Earnings	Money received against share warrants		
As at 1st April 2018	12,065.55	89.27	9,361.02	4,806.00	(7.94)	26,313.90
Profit for the year	-	-	4,603.21	-	-	4,603.21
Ind AS - 115 Adjustment	-	-	(3,978.33)	-	-	(3,978.33)
Other comprehensive income	-	-	-	-	(2.85)	(2.85)
Total comprehensive income	12,065.55	89.27	9,985.90	4,806.00	(10.79)	26,935.93
Issue of equity shares pursuant to exercise of stock options	5,199.78	(44.64)	-	(4,806.00)	-	349.14
As at 31st March, 2019	17,265.33	44.63	9,985.90	-	(10.79)	27,287.92
As at 1st April 2019	17,265.33	44.63	9,985.90	-	(10.79)	27,287.92
Profit for the year	-	-	1,937.70	-	-	1,937.70
Other comprehensive income	-	-	-	-	2.00	2.00
Total comprehensive income	17,265.33	44.63	11,923.60	-	(8.79)	29,224.77
Issue of equity shares pursuant to exercise of stock options	139.96	(38.21)	-	-	-	101.75
Dividend Paid (including DDT)	-	-	(640.08)	-	-	(640.08)
As at 31st March, 2020	17,405.29	6.42	11,283.52	-	(8.79)	28,686.44

Summary of Significant Accounting Policies

2.2

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

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 25th June, 2020

**For and on Behalf of Board of Directors of
Arvind SmartSpaces Limited**

CIN : L45201GJ2008PLC055771

Sanjay S. Lalbhai (DIN-00008329)

Chairman

Kamal Singal (DIN-02524196)

MD & CEO

Mehul Shah

Chief Financial Officer

Prakash Makwana

Company Secretary

Place : Ahmedabad

Date : 25th June, 2020

Notes to standalone financial statements for the year ended 31st March, 2020

1. Corporate Information

Arvind SmartSpaces Limited (“Company” or “ASL”) is a public company domiciled in India and is incorporated on 26th December, 2008 under the provisions of the Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The registered office of the Company is located at 24, Government Servant’s society, Nr. Municipal Market, CG Road, Navrangpura, Ahmedabad – 380009.

The company is engaged in the development of real estate comprising of residential, commercial and industrial projects.

The standalone financial statements were authorized for issue in accordance with a resolution of the directors on 25th June, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statements.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value at the end of each reporting period, as explained in the accounting policies below. The standalone financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 Summary of Significant Accounting Policies

a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least Twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Group’s normal operating cycle in respect of operations relating to the construction of real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects based on 12 months period. Assets and liabilities have been classified into current and non-current based on their respective operating cycle.

c) Business combinations

The Company acquires subsidiaries that own real estate. At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

d) Property, Plant and Equipment

Property, plant and equipment, are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Notes to standalone financial statements for the year ended 31st March, 2020

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

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

e) Depreciation on Property, Plant and Equipment

Depreciation on property, plant and equipment are provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013.

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

f) Intangible Assets

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

Intangible assets comprising of computer software are amortized on a straight line basis over a period of three years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when asset is derecognized.

g) Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

h) Inventories

Direct expenditures relating to real estate activity are inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. Work-in-progress (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.
- ii. Finished goods – unsold flats and plots: Valued at lower of cost and net realizable value.
- iii. Construction material: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

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

Notes to standalone financial statements for the year ended 31st March, 2020

i) Land

Advances paid by the Company to the seller/ intermediary towards outright purchase of land is recognized as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Land/ development rights received under joint development arrangements ('JDA') is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The amount of non-refundable deposit paid by the Company under JDA is recognized as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.

j) Revenue from contracts with customers

(i) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration and adjusted for discounts, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration and the existence of significant financing components, if any.

Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent.

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in

proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

(ii) Contract balances

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

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

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

(iii) Cost to obtain a contract

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The Company incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

(iv) Share in profit/ loss of Limited liability partnerships ("LLPs") and partnership firm

The Company's share in profits from LLPs and partnership firm, where the Company is a

Notes to standalone financial statements for the year ended 31st March, 2020

partner, is recognised as income in the statement of profit and loss as and when the right to receive its profit/ loss share is established by the Company in accordance with the terms of contract between the Company and the partnership entity.

(v) Interest income

Interest income, including income arising from other financial instruments measured at amortised cost, is recognised using the effective interest rate method.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

k) Retirement and other employee benefits

Retirement benefits in the form of state governed Employee Provident Fund and Employee State Insurance are defined contribution schemes (collectively the 'Schemes'). The company has no obligation, other than the contribution payable to the schemes. The company recognizes contribution payable to the schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for

based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

l) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

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

II. Deferred income tax - Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

Notes to standalone financial statements for the year ended 31st March, 2020

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

m) Share based payment

Employees (including senior executives) of the company receives remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and the cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n) Segment reporting

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

o) Provisions and contingent liabilities

A provision is recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

p) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

ii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

Notes to standalone financial statements for the year ended 31st March, 2020

- iii. Debt instruments at amortized cost
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables
- iv. Equity investment in subsidiaries and joint ventures
Investment in subsidiaries and joint ventures are carried at cost. Impairment recognized, if any, is reduced from the carrying value.
- v. De-recognition of financial asset
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.
- vi. Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.
- vii. Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- viii. Financial liabilities at amortized cost
Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.
Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
- ix. De-recognition of financial liability
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.
- x. Fair value of financial instruments
In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.
Fair value hierarchy:
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
 - Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
 - Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Notes to standalone financial statements for the year ended 31st March, 2020

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- q) Impairment**
- a. Financial assets**
The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and /or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.
- b. Non-financial assets**
The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- r) Earnings per Share**
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average

number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Classification of property

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Company develops and intends to sell before or during the course of construction or upon completion of construction.

(b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at

Notes to standalone financial statements for the year ended 31st March, 2020

the reporting date and is determined by the company, based on comparable transactions identified by the company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- a) Identification of performance obligation

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent. In assessing whether performance obligations relating to sale of undivided share of land and constructed area are highly interrelated/ interdependent, the Company considers factors such as:

 - whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.
 - whether the entity will be able to fulfil its promise under the contract to transfer the undivided share of land without transfer of constructed area or transfer the constructed area without transfer of undivided share of land.
- b) Timing of satisfaction of performance obligation

Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the entity considers the same as transferred at a point in time.

For contracts where control is transferred at a point in time, the Company considers the following indicators of the transfer of control of the asset to the customer:

- When the entity obtains a present right to payment for the asset.
 - When the entity transfers legal title of the asset to the customer.
 - When the entity transfers physical possession of the asset to the customer.
 - When the entity transfers significant risks and rewards of ownership of the asset to the customer.
 - When the customer has accepted the asset.
- c) Significant financing component

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

3.1 Property Plant and Equipment

	Buildings	Equipment	Furniture & Fixtures	Office Equipment	Computers	Vehicles	Total
Cost							
At 1st April, 2018	504.02	73.48	90.01	8.89	42.28	243.68	962.36
Additions	-	24.17	33.47	0.77	13.25	13.38	85.04
Disposals	-	6.29	10.71	0.70	6.19	26.64	50.53
At 31st March, 2019	504.02	91.36	112.77	8.96	49.34	230.42	996.87
Additions	-	9.41	19.59	0.50	10.01	10.78	50.29
Disposals	-	4.01	-	0.83	0.15	18.73	23.72
At 31st March, 2020	504.02	96.76	132.36	8.63	59.20	222.47	1,023.44
Depreciation and impairment							
At 1st April, 2018	35.00	13.19	31.64	3.46	23.83	39.80	146.92
Depreciation charge for the year	17.50	7.79	18.24	1.79	9.46	31.53	86.31
Deductions	-	1.05	0.68	0.32	2.61	8.56	13.22
At 31st March, 2019	52.50	19.93	49.20	4.93	30.68	62.77	220.01
Depreciation charge for the year	17.50	8.86	14.79	1.25	8.93	30.12	81.45
Deductions	-	0.63	-	0.43	0.14	7.78	8.98
At 31st March, 2020	70.00	28.16	63.99	5.75	39.47	85.11	292.48
Net book value							
At 31st March, 2020	434.02	68.60	68.37	2.88	19.73	137.36	730.96
At 31st March, 2019	451.52	71.43	63.57	4.03	18.66	167.65	776.86

3.2 Intangible assets

	Software	Total
Cost		
At 1st April, 2018	7.25	7.25
Additions	1.21	1.21
Disposals	-	-
At 31st March, 2019	8.46	8.46
Additions	2.53	2.53
Disposals	-	-
At 31st March, 2020	10.99	10.99
Amortisation and impairment		
At 1st April, 2018	5.18	5.18
Amortisation charge for the year	1.26	1.26
At 31st March, 2019	6.44	6.44
Amortisation charge for the year	0.94	0.94
At 31st March, 2020	7.38	7.38
Net book value		
At 31st March 2020	3.61	3.61
At 31st March 2019	2.02	2.02

Note : For property plant & equipment existing as on 1 April 2016 i.e. the date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2016 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2016.

Notes to standalone financial statements for the year ended 31st March, 2020

4 Investments

(Amount in INR Lacs unless stated otherwise)

Particulars	Non current portion		Current portion	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Unquoted (carried at cost)				
In equity instruments				
Wholly owned subsidiary :				
Arvind Hebbal Homes Private Limited 10,000 (31 st March 2019: 10,000) shares of ₹ 10/- each, fully paid up	1.00	1.00	-	-
Arvind Homes Private Limited 10,000 (31 st March 2019: Nil) shares of ₹ 10/- each, fully paid up	1.00	-	-	-
In capital of Limited Liability Partnership firms (subsidiaries)				
Ahmedabad East Infrastructure LLP	10,892.59	8,773.36	-	500.00
Ahmedabad Industrial Infrastructure (One) LLP	417.31	314.44	200.00	500.00
ASL Facilities Management LLP	26.49	26.49	-	-
Arvind Altura LLP	1.11	1.11	-	-
Arvind Beyond Five Club LLP	330.73	330.73	-	-
Arvind Five Homes LLP	3,206.92	2,857.80	-	-
Arvind Infracon LLP	880.03	7,553.10	-	-
Changodar Industrial Infrastructure (One) LLP	5.26	4.26	-	-
Yogita Shelters LLP	1,933.89	1,629.43	-	-
In capital of Limited Liability Partnership firms (joint ventures)				
Arvind Bsafal Homes LLP	-	-	143.20	159.16
Arvind Integrated Projects LLP	0.26	0.28	-	-
Total investments	17,696.59	21,492.00	343.20	1,159.16
Aggregate value of unquoted investments	17,696.59	21,492.00	343.20	1,159.16

Note (i) Aggregate and fair value of quoted investment is ₹ NIL

(ii) Aggregate value of impairment of investment is ₹ NIL

5 Loans

Particulars	Non current portion	
	31 st March, 2020	31 st March, 2019
(Unsecured, considered good)		
Loans given (refer note below)	492.00	455.00
	492.00	455.00

Note: (i) Since all the above loans given by the company are unsecured and considered good, the bifurcation of loan in other categories as required by schedule III of Companies Act, 2013 Viz: (a) Secured, (b) Loans which have significant increase in credit risk and (c) credit impaired is not applicable.

(ii) Total loan outstanding of ₹ 492 lacs (March 31, 2019: ₹ 455 lacs) is given at 12% rate of interest and the same is repayable on demand.

(iii) For amounts due and terms and conditions relating to related party receivables, refer Note 37.

6 Trade receivables

Particulars	31 st March, 2020	31 st March, 2019
(Unsecured, considered good)		
Trade receivables (Refer note below)	95.47	59.18
	95.47	59.18

Note: (i) Since all the above trade receivables of the company are unsecured and considered good, the bifurcation of trade receivables in other categories as required by schedule III of Companies Act, 2013 Viz : (a) Secured, (b) Receivables which have significant increase in credit risk and (c) credit impaired is not applicable.

(ii) For amounts due and terms and conditions relating to related party receivables, refer Note 37.

(iii) For information about credit risk and market risk related to trade receivables, refer note 35.

Notes to standalone financial statements for the year ended 31st March, 2020

7 Cash and cash equivalents

(Amount in INR Lacs unless stated otherwise)

Particulars	31 st March, 2020	31 st March, 2019
Balances with banks in current accounts	424.56	357.76
Cash on hand	1.42	4.42
	425.98	362.18

8 Other bank balances

Particulars	31 st March, 2020	31 st March, 2019
Earmarked balances for unclaimed dividend	4.42	-
	4.42	-

9 Other financial assets

Particulars	Non current portion		Current portion	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
(Unsecured, considered good)				
Security deposits	27.50	156.01	4.70	-
Interest accrued but not due from Limited Liability Partnership firms (Refer note 37)	1,026.43	1,920.49	1,413.93	1,896.08
Interest accrued - Others	149.67	7.14	-	80.77
Receivables from Limited Liability Partnership firms for sharing of common costs (Refer note 37)	369.08	-	841.92	1,353.39
Advance for land, recoverable in cash	-	-	699.16	787.94
Bank deposits with original maturity of more than 12 months	-	130.00	130.00	-
Receivable towards transfer of project from subsidiary (Refer note 37)	7,000.00	-	75.40	-
Others	-	-	0.65	9.67
	8,572.68	2,213.64	3,165.76	4,127.85

10 Inventories (At lower of cost and net realisable value)

Particulars	31 st March, 2020	31 st March, 2019
Construction work-in-progress	22,478.80	23,976.49
Unsold developed plots of land and units	582.36	728.34
Construction materials	125.14	280.17
	23,186.30	24,985.00

11 Other assets

Particulars	Non current portion		Current portion	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
(Unsecured, considered good)				
Prepaid expenses	9.94	29.92	41.97	29.73
Advances recoverable in cash or kind or for value to be received	-	-	449.05	371.38
Balance with government authorities	-	-	2.56	523.53
Advance for land (refer note below)	100.00	-	-	150.00
Others advances	0.25	0.25	125.48	21.29
	110.19	30.17	619.06	1,095.93

Note: Advance for land though unsecured, are considered good as the advances have been given based on arrangement/memorandum of understanding executed by the company and the company/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation.

Notes to standalone financial statements for the year ended 31st March, 2020

12 Equity share capital

(Amount in INR Lacs unless stated otherwise)

Particulars	31 st March, 2020	31 st March, 2019
(a) Authorised 5,00,00,000 (31 st March, 2019 : 5,00,00,000) equity shares of ₹10/- each (P.Y. ₹ 10/-)	5,000.00	5,000.00
(b) Issued, subscribed and fully paid-up 3,55,53,550 (31 st March, 2019 : 3,52,33,550) equity shares of ₹10/- each (P.Y. ₹ 10/-)	3,555.36	3,523.36

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

Particulars	31 st March, 2020		31 st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Outstanding at beginning of the year	3,52,33,550	3,523.36	3,18,67,550	3,186.76
Add :				
Exercise of share options under ESOS/ESOP	3,20,000	32.00	3,66,000	36.60
Shares issued pursuant to preferential share warrants	-	-	30,00,000	300.00
Outstanding at end of the year	3,55,53,550	3,555.36	3,52,33,550	3,523.36

(d) Terms / rights attached to the equity shares

- (i) The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of director is subject to the approval of the shareholders in the ensuing Annual General meeting.
- (ii) In the event of liquidation of the company the holders of the equity shares will be entitled to receive any of the 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 shareholders.
- (iii) During the year, company has allotted Nil (31st March, 2019 : 30,00,000) equity shares of Rs 10 /- each at a premium Nil (31st March, 2019 : Rs 168/-) each pursuant to conversion of the warrants issued and allotted earlier on preferential basis to the promotor and promotor group entities.
- (iv) During the year ended 31st March, 2020 the Company has allotted 3,20,000 (for year ended 31st March ,2019: 3,66,000) equity shares of ₹ 10/- each to the eligible employee(s) pursuant to the exercise of stock options granted to them under Employees Stock Option Scheme - 2013 (AIL ESOP 2013).

(e) Shareholders holding more than 5% in the shareholding of the company

Name of the shareholder	31 st March, 2020			31 st March, 2019		
	No. of shares	₹ in Lacs	% Holding	No. of shares	₹ in Lacs	% Holding
Equity shares of ₹ 10 each fully paid						
Aura Securities Private Limited	1,87,12,646	1,871.26	52.63%	1,87,12,646	1,871.26	53.11%
Ketankumar Ratilal Patel	22,63,923	226.39	6.37%	17,30,000	173.00	4.91%

As per records of the company, including its register of shareholders / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(f) Distribution made and proposed

Particulars	31 st March, 2020	31 st March, 2019
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended 31 st March 2020 : ₹ 1.50 per share (31 st March, 2019 : Nil)	533.31	-
DDT on final dividend	106.77	-
	640.08	-
Proposed dividend on equity shares		
Final cash dividend for the year ended on 31 st March 2020 : Nil (31 st March 2019 : ₹ 1.50 per share)	-	533.31
DDT on final dividend	-	106.77
	-	640.08

- (g) For details of shares reserved for issue under the share based payment plan of the company, Please refer note 31.

Notes to standalone financial statements for the year ended 31st March, 2020

13 Other equity

(Amount in INR Lacs unless stated otherwise)

Particulars	31 st March, 2020	31 st March, 2019
(a) Securities Premium		
Balance at the beginning of the year	17,265.33	12,065.55
Add: Received during the year on issue of equity shares	139.96	5,199.78
Balance at the end of the year	17,405.29	17,265.33
(b) Share Based Payment Reserve		
Balance at the beginning of the year	44.63	89.27
Less: Transferred to securities premium on exercise of stock options	(38.21)	(44.64)
Balance at the end of the year	6.42	44.63
(c) Surplus in the statement of profit and loss		
Balance at the beginning of the year	9,985.90	9,361.02
Less: Impact of transition to IndAS - 115	-	(3,978.33)
Add: Profit for the year	1,937.70	4,603.21
Less: Dividend (including DDT)	(640.08)	-
Balance at the end of the year	11,283.52	9,985.90
(d) Other comprehensive income reserve		
Balance at the beginning of the year	(10.79)	(7.94)
Add: Movement in OCI (Net) during the year	2.00	(2.85)
Balance at the end of the year	(8.79)	(10.79)
(e) Money received against share warrants		
Balance at the beginning of the year	-	4806
Less: Issued during the year	-	(4806)
Balance at the end of the year	-	-
	28,686.44	27,287.92

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Share based payment reserve

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

14 Borrowings

Particulars	Effective Rate of Interest	Maturity	31 st March, 2020	31 st March, 2019
Non-current borrowings				
Secured				
Line of credit facility from NBFC	HDFC CPLR minus 655 bps	2016-2021	3,073.36	11,900.68
Vehicle loans from banks	9-10%	2014-2023	94.14	132.89
Term loans	10.25%	2021	4,988.15	4,975.65
Total			8,155.65	17,009.22
Less: Current maturity of long term borrowings clubbed under other financial liabilities (Refer Note 16)			(6,097.88)	(8,942.51)
Total			2,057.77	8,066.71
Current borrowings				
Secured				
Term loans	IFCI IBR - ST Plus 145 bps	2020-2021	8,375.00	-
Unsecured				
Inter-corporate deposits repayable on demand	10.00%	on demand	-	89.04
Total			8,375.00	89.04
The above amount includes:				
Secured Borrowings			10,432.77	8,066.71
Unsecured borrowings			-	89.04

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

Nature of Securities on above loans :

- The line of credit facility amounting to ₹ 3,073.36 lacs (March 31, 2019 : ₹ 11,900.68 lacs) from HDFC Limited is secured by first mortgage of project land named "Arvind Sporcia" bearing Revenue Survey Nos. 89/6, 90/1 and 90/2 all situated at Rachenahalli village, Krishnarajapuram Hobli, Bangalore East with the development with thereon- present and future and further secured by unsold units of "Arvind Citadel" project being developed on Plot no. 162, TPS 20, City Survey no. 555, Behind Super Mall, off C G Road, Navrangpura, Ahmedabad along with undivided share in land , further secured by unsold units of "Arvind Expansia" project being developed on Survey No. 55, Mahadevapura village, Krishnarajapuram Hobli, Whitefield Road, Bangalore along with undivided share in land and further secured by first mortgage of project land named "Arvind Skylands" bearing Revenue Survey Nos. 40, 45/2B, & 45/2C, Jakkur Main Road, Shivanahalli, GKVK layout, Yelahanka Hobli, Bangalore along with construction thereon and together all rights appurtenant thereto.
- Vehicle loans amounting to ₹ 94.14 lacs (March 31, 2019 : ₹ 132.89 lacs) are secured by vehicles.
- Non current term loan outstanding of ₹ 4,988.15 lacs (March 31, 2019 : ₹ 4,975.65 lacs) is secured against residential land owned by Ahmedabad East infrastructure LLP (Subsidiary company).
- Current term loan of ₹ 8375 lacs (March 31, 2019 : Nil) is secured against unsold villas and cash flow of project owned by Ahmedabad East infrastructure LLP (Subsidiary company).

Terms of Repayment of Loans

Secured Loan

Line of Credit Facility

HDFC Limited

The Company will ensure at least 30% of sales receivable towards the principal repayment from the date of first disbursement; this percentage will be reviewed subsequently every quarter and will be mutually modified with company as per progress of work. However, the maximum principal of the loan will not exceed ₹ 3,000.00 lacs at the end of 48th month and will be repaid by 60th month.

Vehicle Loan

HDFC Bank Limited

Loan is repayable in monthly instalments on varied dates as mentioned above.

Term Loan

Bajaj Finance Limited

loan of ₹ 4,988.15 Lacs (March 31, 2019 : ₹ 4,975.65 Lacs) which is at the rate of 10.25% repayable at the end of March-2021.

IFCI Limited

During the year company has availed loan of ₹ 8,375.00 lacs (March 31, 2019 : ₹ NIL) which is at the rate of IFCI IBR - ST plus 145 bps which during the current year is 10.75% repayable fully by July 2020.

15 Trade payables

Particulars	31 st March, 2020	31 st March, 2019
Total Outstanding dues of micro and small enterprise	-	-
Total Outstanding dues of creditors other than micro and small enterprise		
For goods and services	2,503.70	1,686.58
For land	43.57	45.07
	2,547.27	1,731.65

- Trade payables for goods and services are non-interest bearing and are normally settled on 30 to 90 days terms
- Based on information available with company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till 31st March, 2020. Accordingly no disclosures are required to be made under said Act. This has been relied upon by the Auditors.
- Refer Note 35 for company's credit risk management process.

16 Other financial liabilities

Particulars	31 st March, 2020	31 st March, 2019
Current maturities of non-current borrowings (Refer Note 14)	6,097.88	8,942.51
Unclaimed Dividend	4.42	-
Interest accrued and not due on borrowings	37.50	15.74
	6,139.80	8,958.25

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

17 Provisions

Particulars	Non current portion		Current portion	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Provision for employee benefits				
Provision for gratuity (Refer Note 30)	95.56	86.51	22.53	11.04
Provision for leave encashment	86.70	72.64	25.73	12.13
	182.26	159.15	48.26	23.17

18 Other current liabilities

Particulars	31 st March, 2020	31 st March, 2019
Advances from customers (Refer Note 38)	4,136.20	7,742.18
Statutory dues	188.93	69.07
Other payables	2.39	2.23
	4,327.52	7,813.48

19 Revenue from operations

Particulars	For the year 2019-20	For the year 2018-19
Revenue from contracts with customers (Refer note 38)		
Commercial and residential units	14,788.32	21,528.39
Transferrable development rights (Refer note 37)	155.16	127.62
Other operating revenue		
Share of profit from investments in Limited Liability Partnership firms	56.24	1,665.07
Plot cancellation and transfer fees	30.92	29.69
Miscellaneous	103.20	31.23
	15,133.84	23,382.00

20 Other income

Particulars	For the year 2019-20	For the year 2018-19
Interest income from loans	93.26	94.44
Interest from investments in Limited Liability Partnership firms	933.79	1,425.61
Others	33.57	104.85
	1,060.62	1,624.90

21 Cost of construction materials and components consumed

Particulars	For the year 2019-20	For the year 2018-19
Inventory at the beginning of the year	280.17	276.71
Add: Purchases	1,169.59	717.67
Less: Inventory at the end of the year	(125.14)	(280.17)
Cost of construction materials and components consumed	1,324.62	714.21

Notes to standalone financial statements for the year ended 31st March, 2020

22 Changes in inventories

(Amount in INR Lacs unless stated otherwise)

Particulars	For the year 2019-20	For the year 2018-19
Closing Stock		
Unsold developed plots of land and units	582.36	728.34
Construction work-in-progress	22,478.80	23,976.49
	<u>23,061.16</u>	<u>24,704.83</u>
Opening Stock		
Unsold developed plots of land and units	728.34	935.76
Construction work-in-progress	23,976.49	15,444.42
	<u>24,704.83</u>	<u>16,380.18</u>
Less: Expenses recovered	(6,844.84)	(1,253.25)
Add: Transition to Ind AS 115 Adjustment	-	16,143.90
Decrease/(Increase) in inventories	<u>(5,201.17)</u>	<u>6,566.00</u>

23 Employee benefit expenses

Particulars	For the year 2019-20	For the year 2018-19
Salaries, allowances & bonus	1,139.21	974.76
Contribution to provident & other funds (Refer note 30)	86.95	72.32
Gratuity (Refer note 30)	27.08	33.83
Staff welfare expenses	30.79	62.24
	<u>1,284.03</u>	<u>1,143.15</u>

24 Finance costs

Particulars	For the year 2019-20	For the year 2018-19
Interest on		
Inter-corporate deposits	6.57	17.49
Term loan from NBFC	1,177.92	656.48
Line of credit facility from NBFC	577.31	1,297.47
Vehicle loans from banks	9.78	13.35
Others	50.77	-
	<u>1,822.35</u>	<u>1,984.79</u>
Other borrowing costs	-	28.77
	<u>1,822.35</u>	<u>2,013.56</u>

Note: Net of interest amounting to ₹ 875.64 lacs/- (31 March 2019: ₹ 567.22 lacs) inventorised to qualifying construction work-in-progress.

Notes to standalone financial statements for the year ended 31st March, 2020

25 Other expenses

(Amount in INR Lacs unless stated otherwise)

Particulars	For the year 2019-20	For the year 2018-19
Repairs and maintenance		
Buildings	33.22	-
Others	16.26	18.58
Rates and taxes	764.13	330.91
Travelling expenses	70.02	53.71
Power and fuel	41.63	40.46
Advertisement	272.28	359.39
Brokerage and commission charges	54.44	107.35
Legal and professional charges	838.91	359.38
Secretarial expenses	73.76	63.80
Information Technology expenses	13.84	10.94
Auditors' remuneration (Refer note a)	18.32	18.20
Insurance charges	36.00	37.08
CSR expenses (Refer note b)	37.30	27.50
Loss on sale of property, plant and equipment	5.55	7.43
Rent	17.47	20.42
Land advance written off	50.00	-
Security deposit written off	123.17	-
Donation	100.00	-
Miscellaneous expenses	217.63	170.47
	2,783.93	1,625.62

a. Payment to Auditors

Particulars	For the year 2019-20	For the year 2018-19
Statutory audit fees	12.50	12.50
Limited review fees	5.70	5.70
Out of pocket expenses	0.12	-
	18.32	18.20

b. Details of CSR expenditure

Particulars	For the year 2019-20			For the year 2018-19		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Gross amount required to be spent during the year	-	-	37.25	-	-	27.15
Amount spent during the year						
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than above	37.30	-	37.30	27.50	-	27.50
Total	37.30	-	37.30	27.50	-	27.50

Notes to standalone financial statements for the year ended 31st March, 2020

26 **Income Tax**

(Amount in INR Lacs unless stated otherwise)

(a) Tax expenses

The major components of income tax expenses for the years ended 31st March, 2020 and 31st March, 2019 are :

Statement of Profit and Loss :

Particulars	For the year 2019-20	For the year 2018-19
Profit or loss section :		
Current income tax		
Current income tax charge	273.22	-
Deferred tax		
Relating to origination and reversal of temporary differences	394.19	1,212.23
Income tax expense reported in the statement of profit or loss	667.41	1,212.23
OCI section :		
Deferred tax related to items recognised in OCI during in the year:		
Net loss/(gain) on remeasurements of defined benefit plans	(0.68)	1.17
Income tax effect recognised in OCI	(0.68)	1.17

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2020 and 31st March 2019:

Particulars	For the year 2019-20	For the year 2018-19
Accounting profit before income tax	2,605.11	5,815.44
Tax on accounting profit at statutory income tax rate 25.17% (31st March, 2019: 29.12%)	655.71	1,693.46
Income exempt from taxes / income Already offered in Previous years	(14.16)	(484.87)
Expenses disallowed	5.14	3.64
Revaluation of deferred tax asset due to change in tax rate (refer note below)	59.59	-
Others	(38.86)	-
Tax expense reported in the statement of profit or loss	667.41	1,212.23

Note : The Company has elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) ordinance, 2019. Accordingly, the Company has recognized the provision for income tax for the year ended March 31, 2020 and remeasured its deferred tax basis the rate prescribed in the aforesaid section. The resultant impact of INR 59.59 lacs has been accounted in the current year's financial statements.

(c) Deferred tax

Particulars	Balance sheet		Other comprehensive income		Statement of profit and loss	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	For the year 2019-20	For the year 2018-19
a) Deferred Tax Liabilities						
Impact of difference between tax depreciation and depreciation charged for the financial reporting	33.80	39.57	-	-	5.76	9.26
Gross deferred tax liabilities	33.80	39.57	-	-	5.76	9.26
b) Deferred Tax Assets						
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	57.34	63.20	(0.68)	1.17	5.18	3.86
Income offered for tax but not recognized in the books	20.87	415.64	-	-	394.77	1,217.63
Gross deferred tax assets	78.21	478.84	(0.68)	1.17	399.95	1,221.49
Deferred tax expense/(income)			(0.68)	1.17	394.19	1,212.23
Deferred tax assets/(liabilities)	44.41	439.27				

Notes to standalone financial statements for the year ended 31st March, 2020**Reconciliation of deferred tax liabilities/(assets) (net):**

(Amount in INR Lacs unless stated otherwise)

Particulars	31 st March, 2020	31 st March, 2019
Opening balance as at 1 st April	439.27	17.06
On adoption of IndAs 115 on 1 st April, 2018	-	1,633.27
Deferred tax credit/(charge) during the period recognised in profit or loss	(394.19)	(1,212.23)
Deferred tax credit/(charge) during the period recognised in OCI	(0.68)	1.17
Closing balance as at 31st March	44.41	439.27

27 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following table reflects the income and share data used in the basic and diluted EPS computation.

Particulars	For the year 2019-20	For the year 2018-19
Earnings per share (Basic and Diluted)		
Profit after tax	1,937.70	4,603.21
Total number of equity shares at the end of the year	3,55,53,550	3,52,33,550
Weighted average number of equity shares		
For basic EPS	3,54,77,762	3,44,79,534
For diluted EPS	3,55,18,264	3,54,02,860
Nominal value of equity shares	10.00	10.00
Basic earnings per share	5.46	13.35
Diluted earnings per share	5.46	13.00
Weighted average number of equity shares for basic EPS	3,54,77,762	3,44,79,534
Effect of dilution: stock options granted under ESOP	40,502	2,49,413
Effect of dilution: share warrants	-	6,73,913
Weighted average number of equity shares adjusted for the effect of dilution	3,55,18,264	3,54,02,860

28 Commitments and Contingencies**a. Commitments**

As at March 31, 2020 the company has given net advance of ₹ 799.16 lacs/- (31st March, 2019: ₹ 937.94 lacs) for purchase of land. Under the agreements executed with the land owners, the company is required to make further payments based on the agreed terms.

b. Contingent liabilities

Particulars	31 st March, 2020	31 st March, 2019
Disputed demands in respect of -		
Income tax	541.22	552.98

Notes:

The Company has not recognized and acknowledged the claims as liability in the books of account amounting to ₹ 541.22 (31st March, 2019: ₹ 552.98 lacs) which have been made against the company by Department of Income Tax since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The company has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

Notes to standalone financial statements for the year ended 31st March, 2020

29 Segment Reporting

(Amount in INR Lacs unless stated otherwise)

The Company's primary business is development of real estate comprising of residential, commercial and industrial projects. Company's performance for operation as defined in Ind AS 108 is evaluated as a whole by chief operating decision maker ('CODM') of the Company based on which development of real estate activities are considered as a single operating segment. The Company reports geographical segment which is based on the areas in which major operating divisions of the Company operate and the entire operations are based only in India. During the year 2018-19 and 2019-20, no single external customer has generated revenue of 10% or more of the Company's total revenue.

30 Disclosure pursuant to employee benefits

A. Defined contribution plans : Provident fund and employee state insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized ₹ 86.95 lacs (31st March, 2019: ₹ 72.32 lacs) as expense towards contributions to these plans.

B. Defined benefit plans

(a) Gratuity

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

31st March, 2020 : Changes in defined benefit obligation

Particulars	1 st April, 2019	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement (gains)/losses in other comprehensive income					Contributions by employer	31 st March, 2020
		Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	97.55	19.80	7.28	27.08	(3.86)	-	0.40	7.82	(10.90)	(2.68)	-	118.09
Benefit liability	97.55	19.80	7.28	27.08	(3.86)	-	0.40	7.82	(10.90)	(2.68)	-	118.09

31st March, 2019 : Changes in defined benefit obligation

Particulars	1 st April, 2018	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement (gains)/losses in other comprehensive income					Contributions by employer	31 st March, 2019
		Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	70.18	24.89	8.94	33.83	(10.48)	-	0.52	2.45	1.05	4.02	-	97.55
Benefit liability	70.18	24.89	8.94	33.83	(10.48)	-	0.52	2.45	1.05	4.02	-	97.55

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	31 st March, 2020	31 st March, 2019
Discount rate	6.24%	7.47%
Future salary increase	5% P.a. for next 2 years , 7% P.a. thereafter starting from third year	6%
Attrition rate	15%	7%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumptions is as shown below:

Gratuity

Particulars	Sensitivity level	Increase / (Decrease) in defined benefit obligation (Impact)	
		31 st March, 2020	31 st March, 2019
Gratuity			
Discount rate	1% increase	(5.12)	(6.42)
	1% decrease	5.65	7.29
Salary increase	1% increase	5.59	7.32
	1% decrease	(5.16)	(6.56)
Attrition rate	1% increase	(0.70)	0.17
	1% decrease	0.74	(0.25)

The following are the expected future benefit payments for the defined benefit plan :

Particulars	31 st March, 2020	31 st March, 2019
Gratuity		
Within the next 12 months (next annual reporting period)	22.53	11.04
2 to 5 years	54.04	30.51
Beyond 5 years	47.15	47.05
Total expected payments	123.72	88.60

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Years	
	31 st March, 2020	31 st March, 2019
Gratuity	6	10

Notes to standalone financial statements for the year ended 31st March, 2020

31 Share-based payments

(Amount in INR Lacs unless stated otherwise)

The company provides share-based payment schemes to its employees. During the year ended 31st March, 2020, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Employee Stock Option (ESOP) Scheme (2013)

The Company instituted an Employees Stock Option Scheme ('ESOP 2013') pursuant to the approval of the shareholders of the company at their Extraordinary General Meeting held on March 8, 2013. As per ESOP 2013, the Group granted 10,32,972 options comprising equal number of equity shares in one or more tranches to the eligible employees of the company. The options under this grant would vest to the employees over a minimum period of 1 year and maximum 5 years based on continued service and certain performance parameters, with an exercise period of maximum five years from the date of respective vesting. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs 41.50. There were no grants made during the year.

Employee Stock Option (ESOP) Scheme (2016)

The Company instituted an Employees Stock Option Scheme ('ESOP 2016') pursuant to the approval of the shareholders of the company at their Annual General Meeting held on 23rd September, 2016. As per ESOP 2016, the Group granted 3,70,000 options comprising equal number of equity shares in one or more tranches to the eligible employees of the company. The options under this grant would vest to the employees over a minimum period of 1 year and maximum 5 years based on continued service and certain performance parameters, with an exercise period of maximum five years from the date of respective vesting. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs 158.05. There were no grants made during the year.

Expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year 2019-20	For the year 2018-19
Expense arising from equity-settled share-based payment transactions	-	-
Total	-	-

* There were no cancellations or modifications to the plan during the year ended 31st March, 2020 or 31st March, 2019.

Movement during the year:

The following table illustrates the number and weighted average exercise price of share options during the year:

Particulars	31 st March, 2020		31 st March, 2019	
	ESOP scheme 2013	ESOP scheme 2016	ESOP scheme 2013	ESOP scheme 2016
Options				
Outstanding at the beginning of the year	3,73,729	3,70,000	7,39,729	-
Granted during the year	-	-	-	3,70,000
Exercised during the year	3,20,000	-	3,66,000	-
Outstanding at the end of the year	53,729	3,70,000	3,73,729	3,70,000
Exercisable at the end of the year	53,729	92,500	3,73,729	-
weighted average share price at the exercise date	104.11	-	116.02	-
weighted average remaining contractual life (In years)	0.08	7.39	0.20	8.40

The fair value of the share options is estimated at the grant date using Binomial Model taking into account the terms and conditions upon which the share options are granted and there are no cash settled alternatives for employees. Following table lists the inputs to the models used for the year ending March 31, 2019.

Particulars	31 st March, 2020	31 st March, 2019
Risk-free interest rate (%)	-	7.61%
Expected life (years)	-	5.00
Expected volatility	-	49.00%
Dividend yield	-	-
Share price	-	158.05

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

32 Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Financial assets measured at amortised cost				
Investments (Refer Note 4)	18,039.79	22,651.16	18,039.79	22,651.16
Loans given (Refer Note 5)	492.00	455.00	492.00	455.00
Trade Receivables (Refer Note 6)	95.47	59.18	95.47	59.18
Other financial assets (Refer Note 9)	11,738.44	6,341.49	11,738.44	6,341.49
Cash and Cash equivalents (Refer Note 7)	425.98	362.18	425.98	362.18
Other Bank Balance (Refer Note 8)	4.42	-	4.42	-
Total	30,796.10	29,869.01	30,796.10	29,869.01
Financial liabilities measured at amortised cost				
Borrowings (Refer Note 14)	10,432.77	8,155.75	10,432.77	8,155.75
Trade payables (Refer Note 15)	2,547.27	1,731.65	2,547.27	1,731.65
Other financial liabilities (Refer Note 16)	6,139.80	8,958.25	6,139.80	8,958.25
Total	19,119.84	18,845.65	19,119.84	18,845.65

The management assessed that the fair values of financial assets and financial liabilities approximate their carrying amounts due to the short-term maturities.

33 Fair value measurement hierarchy

The details of fair value measurement hierarchy of company's financial assets/liabilities are as below:

Particulars	Level	31 st March, 2020	31 st March, 2019
Assets disclosed at fair value			
Investments	Level - 2	18,039.79	22,651.16
Loans given	Level - 2	492.00	455.00
Trade Receivable	Level - 2	95.47	59.18
Other financial assets	Level - 2	11,738.44	6,341.49
Cash and Cash equivalents	Level - 2	425.98	362.18
Other Bank Balance	Level - 2	4.42	-
Liabilities disclosed at fair value			
Borrowings	Level - 2	10,432.77	8,155.75
Trade payables	Level - 2	2,547.27	1,731.65
Other financial liabilities	Level - 2	6,139.80	8,958.25

There have been no transfers between Level 1 and Level 2 during the period.

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

34 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of the Company seek to maintain a balance between the higher returns that might be possible with higher level of borrowings and advantages of a sound capital position.

The Company monitors capital using a net debt to equity ratio, which is as follows:

1. Equity includes equity share capital and all other equity components attributable to the equity holders.
2. Net debt includes borrowings (non-current and current) less cash and cash equivalents

Particulars	31 st March, 2020	31 st March, 2019
Borrowings	16,530.65	17,098.26
Less: Cash and cash equivalents	(425.98)	(362.18)
Net Debt (A)	16,104.67	16,736.08
Equity share capital	3,555.36	3,523.36
Other equity	28,686.44	27,287.92
Total Equity (B)	32,241.80	30,811.28
Net Debt to Equity Ratio (C=A/B)	0.50	0.54

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

35 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity/ real-estate risk.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2020 and 31st March, 2019. The sensitivity analysis has been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations/provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2020 and 31st March, 2019.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The entity's exposure to the risk of changes in Interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

The company is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The company's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The company is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

Notes to standalone financial statements for the year ended 31st March, 2020

Interest rate sensitivity

(Amount in INR Lacs unless stated otherwise)

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant for variable rate instruments. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	Changes in interest rate	Effect of profit before tax
31 st March, 2020	+1%	(114.48)
	-1%	114.48
31 st March, 2019	+1%	(119.01)
	-1%	119.01

2. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The carrying amount of following financial assets represents the maximum credit exposure.

Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore substantially eliminating the company's credit risk in this respect.

The ageing of trade receivables is as follows:

Particulars	31 st March, 2020	31 st March, 2019
More than 6 months	43.23	54.94
Others	52.24	4.24
Total receivables	95.47	59.18

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The company's maximum exposure to credit risk for the components of the statement of financial position at 31st March, 2020 and 31st March, 2019 is the carrying amounts.

3. 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.

The table below summarises the remaining contractual maturities of the company's financial liabilities at the reporting date..

Particulars	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	Total
Year ended 31st March, 2020					
Borrowings*	-	5,750.59	8,759.79	2,057.77	16,568.15
Trade payables	-	2,503.70	43.57	-	2,547.27
	-	8,254.29	8,803.36	2,057.77	19,115.42
Year ended 31st March, 2019					
Borrowings*	104.78	3,603.82	5,338.69	8,066.71	17,114.00
Trade payables	-	1,686.58	45.07	-	1,731.65
	104.78	5,290.40	5,383.76	8,066.71	18,845.65

*Includes current maturities of non-current borrowings and interest accrued but not due on borrowings.

Notes to standalone financial statements for the year ended 31st March, 2020

36 Disclosure in respect interest in joint ventures and subsidiaries

(Amount in INR Lacs unless stated otherwise)

(a) List of subsidiaries

Sr No.	Name of subsidiary	Country of incorporation	Percentage of holding	
			31 st March, 2020	31 st March, 2019
(i) Companies				
1	Arvind Hebbal Homes Pvt. Ltd.	India	100.00%	100.00%
2	Arvind Homes Pvt. Ltd.	India	100.00%	-
(ii) LLPs				
1	ASL Facilities Management LLP	India	99.00%	99.00%
2	Arvind Altura LLP	India	99.00%	99.00%
3	Changodar Industrial Infrastructure (One) LLP	India	99.00%	99.00%
4	Ahmedabad Industrial Infrastructure (One) LLP	India	99.00%	99.00%
5	Ahmedabad East Infrastructure LLP*	India	51.00%	51.00%
6	Arvind Five Homes LLP	India	99.00%	99.00%
7	Arvind Infracon LLP	India	99.00%	99.00%
8	Arvind Beyond Five Club LLP	India	99.00%	99.00%
9	Yogita Shelters LLP	India	99.79%	99.79%

*Profit sharing of Arvind SmartSpaces Limited in Ahmedabad East Infrastructure LLP is 94% during 31st March, 2020 and 31st March 2019.

(b) List of joint ventures

Sr No.	Name of joint ventures	Country of incorporation	Percentage of holding	
			31 st March, 2020	31 st March, 2019
(i) LLPs				
1	Arvind Bsafal Homes LLP*	India	50.00%	50.00%
2	Arvind Integrated Projects LLP	India	50.00%	50.00%

*Profit sharing of Arvind SmartSpaces Limited in Arvind Bsafal Homes LLP is 41% during 31st March, 2020 and 31st March, 2019.

In case of LLPs percentage of holding in the above table denotes the share of capital contribution in the LLP which is same as share of profit, unless stated otherwise.

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Arvind Bsafal Homes LLP	Arvind Integerated Projects LLP	Arvind Bsafal Homes LLP	Arvind Integerated Projects LLP
Assets	262.45	0.52	301.51	0.52
Liabilities	0.14	0.21	0.18	0.16
Income	0.42	-	0.86	-
Expense (Including depreciation and tax)	39.44	0.05	8.98	0.21
Contingent Liability	-	-	30.30	-
Capital Commitments to be executed	-	-	-	-

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

37 Related party transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the company are as follows :

A. Name of related parties and nature of relationship :

Entity name	Relationship
Arvind Hebbal Homes Pvt Ltd	Subsidiary Company
Arvind Homes Private Limited	Subsidiary Company (incorporated w.e.f. 16 th May, 2019)
Arvind Integrated Projects LLP	Joint Venture
Arvind Bsfal Homes LLP	Joint Venture
ASL Facilities Management LLP	Subsidiary Entity (Partner in LLP)
Arvind Altura LLP	Subsidiary Entity (Partner in LLP)
Changodar Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)
Ahmedabad Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)
Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)
Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)
Arvind Infracon LLP	Subsidiary Entity (Partner in LLP)
Arvind Beyond Five Club LLP	Subsidiary Entity (Partner in LLP)
Yogita Shelters LLP	Subsidiary Entity (Partner in LLP)
Mr. Sanjay Lalbhai	Chairman & Non-Executive Director
Mr. Kamal Singal	Managing Director and Chief Executive Officer- Key Managerial Personnel
Mr. Kulin Lalbhai	Non-Executive Director
Mr. Prem Prakash Pangotra	Non-Executive Director
Mr. Pratul Shroff	Non-Executive Director
Ms. Indira Parikh	Non-Executive Director upto 31st March, 2019
Ms. Pallavi Vyas	Non-Executive Director with effect from 5th August, 2019
Mr. Nirav Kalyanbhai Shah	Non-Executive Director
Mr. Mehul Shah	Chief Financial Officer - Key Managerial Personnel
Mr. Prakash Makwana	Company Secretary - Key Managerial Personnel
Mrs. Divya Mehul Shah	Relative of Key Managerial Personnel
Aura Securities Private limited	Entity Exercising significant influence in the group (Upto 1st June, 2018)
Aura Securities Private limited	Holding Company (With effect from 2nd June, 2018)
Arvind Lifestyle brands Ltd	Enterprise having significant influence by Key Management Personnel
Arvind and Smartvalue Homes LLP	Enterprise having significant influence by Key Management Personnel
Arvind Limited	Enterprise having significant influence by Key Management Personnel

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

B. Disclosure in respect of total amount of transactions that have been entered into with related parties :

Particulars	31 st March, 2020	31 st March, 2019
Remuneration		
Mr. Kamal Singal	322.99	322.57
Mr. Mehul Shah	36.60	39.31
Mr. Prakash Makwana	29.45	28.55
Director's Sitting Fees & Commission		
Mr. Prem Prakash Pangotra	6.90	6.80
Mr. Pratul Shroff	5.80	5.80
Ms. Indira Parikh	-	5.90
Ms. Pallavi Vyas	4.60	-
Mr. Nirav Kalyanbhai Shah	6.10	5.90
Revenue from operations		
Mrs. Divya Mehul Shah	41.55	-
Project Management Consultancy Income		
Arvind Limited	93.71	-
Yelahanka Project transferred		
Arvind Hebbal Homes Private Limited	6,844.84	-
Surplus on transfer of Yelahanka Project		
Arvind Hebbal Homes Private Limited	155.16	-
Expenses incurred		
Arvind Lifestyle Brands Ltd	8.70	4.50
Purchase of materials		
Arvind Limited	3.75	37.67
Rent and Professional charges paid		
Arvind Limited	11.33	-
Reimbursement of Employee Benefit Expense		
Ahmedabad Industrial Infrastructure (One) LLP	-	74.67
Arvind Five Homes LLP	-	35.77
Ahmedabad East Infrastructure LLP	361.11	676.10
Arvind Infracon LLP	345.79	200.26
Yogita Shelters LLP	178.09	-
Reimbursement of expenses received (net)		
Arvind Limited	30.35	29.95
Arvind Bsafal Homes LLP	-	0.90
Arvind Infracon LLP	35.19	98.97
Ahmedabad East Infrastructure LLP	16.91	-
Yogita Shelters LLP	18.43	-
Interest income from Limited Liability Partnerships		
Ahmedabad East Infrastructure LLP	402.86	424.88
Arvind Five Homes LLP	305.64	278.51
Arvind Infracon LLP	225.30	722.22

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

Particulars	31 st March, 2020	31 st March, 2019
Investments made during the year		
Ahmedabad East Infrastructure LLP	2,105.00	2,735.00
Ahmedabad Industrial Infrastructure (One) LLP	19.50	397.00
Arvind Five Homes LLP	413.12	149.00
Arvind Beyond Five Club LLP	15.00	1.00
Arvind Integrated Projects LLP	-	-
Arvind Infracon LLP	1,890.00	1,202.50
Changodar Industrial Infrastructure (One) LLP	1.00	3.00
Yogita Shelters LLP	324.48	1,629.41
Arvind Homes Private Limited	1.00	-
Investments withdrawn during the year		
Ahmedabad East Infrastructure LLP	558.00	1,665.00
Arvind Bsafal Homes LLP	-	20.00
Arvind Five Homes LLP	64.00	-
Ahmedabad Industrial infrastructure (One) LLP	216.63	-
Arvind Infracon LLP	8,563.08	287.50
Arvind Beyond Five Club LLP	15.00	-
Yogita Shelters LLP	20.00	-
Loans Given		
Arvind Homes Private Limited	37.00	-
Share of Profit/(Loss) from investments in LLP		
Ahmedabad East Infrastructure LLP	72.23	1,668.51
Arvind Bsafal Homes LLP	(15.96)	(3.40)
Arvind Integrated LLP	(0.03)	(0.12)
Preferential allotment of equity shares		
Aura Securities Pvt. Ltd.	-	4,984.00
Money received against share warrants		
Aura Securities Pvt. Ltd.	-	534.00
Exercise of share options under ESOS / ESOP		
Mr. Kamal Singal	113.44	124.16
Receipts from customers		
Mrs. Divya Mehl Shah	44.61	-

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

C. Disclosure in respect of outstanding balance as at 31st March, 2020 :

Particulars	31 st March, 2020	31 st March, 2019
Receivables for common sharing expenses		
Ahmedabad Industrial Infrastructure (One) LLP	-	160.37
Arvind Five Homes LLP	158.93	158.93
Ahmedabad East Infrastructure LLP	433.90	797.79
Yogita Shelters LLP	210.15	-
Arvind Infracon LLP	408.03	236.30
Other receivables from LLP		
Yogita Shelters LLP	18.43	-
Ahmedabad East Infrastructure LLP	16.05	-
Arvind Infracon LLP	40.92	-
Receivables for Interest accrued but not due		
Arvind Five Homes LLP	829.29	658.65
Ahmedabad East Infrastructure LLP	1,413.93	1,896.08
Arvind Infracon LLP	197.14	1,261.84
Trade Receivable		
Mr. Kamal Singal	-	0.04
Arvind Limited	32.44	-
Other receivable in respect of Project transfer		
Arvind Hebbal Homes Pvt Ltd	7,000.00	-
Trade payables		
Arvind Hebbal Homes Pvt Ltd	43.57	45.07
Arvind Limited	38.25	34.30
Ahmedabad East Infrastructure LLP	0.15	-
Mr. Prem Prakash Pangotra	4.50	4.50
Mr. Pratul Shroff	4.50	4.50
Ms. Indira Parikh	-	4.50
Ms. Pallavi Vyas	3.60	-
Mr. Nirav Kalyanbhai Shah	4.50	4.50
Mr. Kamal Singal	131.73	130.46
Mr. Mehl Shah	2.59	-
Mr. Prakash Makwana	2.10	-
Advance to suppliers		
Arvind Limited	17.52	12.86
Loans Given		
Arvind Homes Private Limited	37.00	-
Capital Contributions (Initial and Additional)		
Ahmedabad East Infrastructure LLP	10,892.59	9,273.36
Arvind Bsafal Homes LLP	143.20	159.16
Ahmedabad Industrial Infrastructure (One) LLP	617.31	814.44
ASL Facilities Management LLP	26.49	26.49
Arvind Altura LLP	1.11	1.11
Arvind Five Homes LLP	3,206.92	2,857.80
Arvind Infracon LLP	880.21	7,553.10
Changodar Industrial Infrastructure (One) LLP	5.26	4.26
Arvind Beyond Five Club LLP	330.73	330.73
Yogita Shelters LLP	1,933.89	1,629.41
Arvind Integrated Projects LLP	0.26	0.28
Investment in subsidiary company		
Arvind Hebbal Homes Private Limited	1.00	1.00
Arvind Homes Private Limited	1.00	-

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

D. Terms and conditions of transactions with related parties :

- Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The company has not recorded any provision/write-off of receivables relating to amounts owed by related parties.
- In respect of the transactions with the related parties, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.

E. Commitments with related parties :

The company has not provided any commitment to the related party as at 31st March, 2020 ₹ Nil (31st March, 2019: ₹ Nil)

F. Transactions with key management personnel :

Compensation of key management personnel of the Company

Particulars	31 st March, 2020	31 st March, 2019
Short-term employee benefits	389.04	390.43
Total compensation paid to key management personnel	389.04	390.43

The company creates provision for post-employment gratuity benefits based on actuarial valuation of such liability. Such an actuarial valuation is carried out on a company-level and not an individual level. Hence, expenses incurred on key management personnel during the year to this extent is not identifiable and has thus not been disclosed.

38 Disclosures for Ind AS 115

Revenue from contracts with customers:

The Company has adopted Ind AS 115 using the modified retrospective method w.e.f 1st April, 2018.

1 Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers, which is in agreement with the contracted price.

Particulars	Note	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Revenue from contracts with customers			
Commercial and residential units	19	14,788.32	21,528.39
Transferrable development rights	19	155.16	127.62
		14943.48	21656.01
Other operating revenue			
Share of profit from investments in Limited Liability Partnership firms	19	56.24	1,665.07
Plot cancellation and transfer fees	19	30.92	29.69
Miscellaneous	19	103.20	31.23
		190.36	1725.99
		15133.84	23382.00

2 Contract balances

Particulars	Note	As at 31 st March, 2020	As at 31 st March, 2019
Trade and other receivables	6	95.47	59.18
Contract liabilities	18	4,136.20	7,742.18

Notes to standalone financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

Trade receivables are generally on credit terms of upto 30-60 days. There is no significant change in trade receivables as on 31st March, 2020 as compared to 31st March, 2019.

Contract liabilities include advances received from customers as well as deferred revenue representing transaction price allocated to unsatisfied performance obligations. The decrease in contract liabilities majorly pertains to revenue recognition pertaining to Skyland Project since BU for the same was received in February 2020.

Particulars	31 st March, 2020	31 st March, 2019
<ul style="list-style-type: none"> • Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year. • Revenue recognised in the reporting period from performance obligations satisfied in previous periods. 	6682.07	15,914.67
	-	-

3 Performance obligations

Particulars	31 st March, 2020	31 st March, 2019
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the current year**		
Revenue to be recognised at a point in time	8273.15	14,352.33

** The entity expects to satisfy the performance obligations when (or as) the underlying real estate projects to which such performance obligations relate are completed. Such real estate projects are in various stages of development and are expected to be completed in the coming periods of upto four years.

39 On March 30, 2019 MCA notified Ind AS 116 'Leases' and it replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all the leases under a single on balance sheet model similar to the accounting for finance leases under Ind AS 17. The company has adopted Ind AS-116, effective from April 01, 2019 using modified retrospective approach and accordingly, the comparatives have not been restated. The adoption of this standard does not have any material impact on the current year's financial statements. The Company also has entered in to Lease Rent agreement for office premises with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for this lease. The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation. Lease payment recognised in the Statement of Profit and Loss for the year amounting to ₹ 17.47 Lacs (31 March 2019: ₹ 20.42 Lacs).

40 The COVID-19 pandemic has disrupted various business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Company were impacted briefly, due to shutdown of sites and offices following nationwide lockdown. The Company continues with its operations in a phased manner in line with directives from the authorities. The company has made detailed assessment of its liquidity positions and business operations for next year and its possible effect on the carrying value of assets. The Company does not expect significant impact on its operations and recoverability of value of its assets based on current indicators of future economic conditions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The company will continue to monitor any material changes to future economic condition and its impact, if any.

41 The figures for the previous year have been regrouped/reclassified wherever necessary to conform with the current year's classification.

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 25th June, 2020

**For and on Behalf of Board of Directors of
Arvind SmartSpaces Limited**

CIN : L45201GJ2008PLC055771

Sanjay S. Lalbhai (DIN-00008329)

Kamal Singal (DIN-02524196)

Mehul Shah

Prakash Makwana

Chairman

MD & CEO

Chief Financial Officer

Company Secretary

Place : Ahmedabad

Date : 25th June, 2020

This Page is Intentionally Left Blank

INDEPENDENT AUDITOR’S REPORT

To the Members of Arvind SmartSpaces Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Arvind SmartSpaces Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its joint ventures comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Ind AS Financial Statements’ section of our report. We are independent of the Group and its joint ventures 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 audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 41 of the accompanying Consolidated Ind AS financial statements, as regards the management’s evaluation of COVID-19 impact on the operations and assets of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue from Contract with Customers (Refer note 2.3 of the Consolidated Ind AS financial statements)	
<p>In accordance with the requirements of Ind AS 115, Group’s revenue from real estate projects is recognized at a point in time, which is upon the Company satisfying its performance obligation and the customer obtaining control of the promised asset.</p> <p>Application of Ind AS 115 requires significant judgment in determining when ‘control’ of the property underlying the performance obligation is transferred to the customer and in assessment of whether the contracts with customers involved any financing element.</p> <p>As the revenue recognition involves significant judgement, we regard this as a key audit matter.</p>	<p>As part of our audit procedures:</p> <ul style="list-style-type: none"> - We obtained and understood management process and controls around transfer of control in case of real estate projects and tested the relevant controls over revenue recognition at a point in time. - We assessed the management evaluation of whether the contracts with customers involved any financing element, taking in to account the consideration received in accordance with the terms of the contract. - We performed test of details, on a sample basis, and inspected the underlying customer contracts, sale deed documents, evidencing the satisfaction of performance

	<p>obligation and the transfer of control of the property based on which revenue is recognized at a point in time.</p> <ul style="list-style-type: none"> - We performed cut off procedures for determination of revenue in appropriate reporting period. - We assessed the disclosures made in the Consolidated Ind AS financial statements.
--	---

Assessing the carrying value of Inventory (Refer note 2.3 of the Consolidated Ind AS financial statements)

<p>As at March 31, 2020, the carrying value of the inventory of ongoing and completed real estate projects is Rs. 66,276.31 lacs. The inventories are held at the lower of the cost and net realizable value.</p> <p>We identified the assessment of whether carrying value of inventory were stated at the lower of cost and net realizable value (“NRV”) as a key audit matter due to the significance of the balance to the consolidated Ind AS financial statements as a whole, involvement of estimations in the assessment and uncertainties in the global economic conditions because of the COVID – 19 pandemic . The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs.</p>	<p>As part of our audit procedures, our procedures included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the management process for determination of the Net realizable value (NRV) including estimating the future costs to completion for stock of ongoing projects - Obtained, read and assessed the management’s process in estimating the future costs to completion for stock of ongoing projects. - Assessed the methods used by the management, in determining the NRV of ongoing and completed real estate projects including assessment made by the management on possible effects that may result from the pandemics relating to COVID-19 on the carrying value of the inventory and tested the underlying assumptions used by the management in arriving at those projections. <p>Performed sensitivity analysis on these key assumptions to assess any potential downside.</p> <ul style="list-style-type: none"> - For sample of selected projects: <ul style="list-style-type: none"> • Compared the forecasted costs to complete the project to
--	---

	<p>the construction costs of other similar projects</p> <ul style="list-style-type: none"> • Compared the NRV to recent sales in the project or to the estimated selling price. • Compared the carrying value to the NRV.
--	---

Other Information

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the director’s report, but does not include the consolidated Ind AS financial statements and our auditor’s report thereon.

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for matters stated in section 134(5) of the act with respect to the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies and management of limited liability partnerships included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or

error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors of the companies and management of limited liability partnerships included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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 consolidated Ind AS 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS 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 Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 6 subsidiaries, whose Ind AS financial statements include total assets of Rs 15,445.49 lakhs as at March 31, 2020, and total revenues of Rs 33.25 lakhs and net cash outflows of Rs 82.13 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. (15.99) lakhs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 2 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and joint ventures, incorporated in India, refer to our separate Report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary company, incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiary companies, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated Ind AS financial statements – Refer Note 28 to the consolidated Ind AS financial statements;
 - ii. The Group, and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company its subsidiaries and joint ventures, incorporated in India during the year ended March 31, 2020.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 20101974AAAABK3198

Place of Signature: Ahmedabad

Date: June 25, 2020

Annexure 2 to the Independent Auditor’s report of even date on the Consolidated Ind AS Financial Statements of Arvind SmartSpaces Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Arvind SmartSpaces Limited (hereinafter referred to as the “Holding Company”) and its subsidiary companies, which are companies incorporated in India as of March 31, 2020 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective board of directors of the Holding Company and its subsidiary companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding company’s internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal

financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

Other matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements of Holding company, in so far as it relates to 1 subsidiary which is a company incorporated in India based on the corresponding report of the auditors of such subsidiary company incorporated in India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 20101974AAAABK3198

Place of Signature: Ahmedabad

Date: June 25, 2020

CONSOLIDATED BALANCE SHEET as at 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

	Notes	As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3:1	889.92	962.29
Capital work in progress		2,005.36	1,411.99
Intangible assets	3:2	3.61	2.02
Intangible assets under development		25.13	2.29
Investments in Joint Ventures	4	0.26	0.28
Financial assets			
Loans	5	605.00	605.00
Other financial assets	9	3,648.59	3,746.69
Deferred tax assets (net)	26	1,093.96	3,115.18
Income tax assets (net)		936.30	452.99
Other non-current assets	11	231.12	150.85
Total non-current assets		9,439.25	10,449.58
Current Assets			
Inventories	10	66,276.31	62,644.33
Investments in Joint Ventures	4	143.20	159.16
Financial assets			
Trade receivables	6	101.97	112.60
Cash and cash equivalents	7	548.72	635.32
Other bank balances	8	4.42	-
Others financial assets	9	1,164.54	1,268.87
Other current assets	11	2,081.45	2,434.76
Total current assets		70,320.61	67,255.04
Total assets		79,759.86	77,704.62
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	3,555.36	3,523.36
Other equity	13	25,325.72	21,931.05
Equity attributable to equity holders of the parent		28,881.08	25,454.41
Non-controlling interests		1,576.63	1,046.03
Total Equity		30,457.71	26,500.44
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	7,336.06	8,066.73
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	15	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15	-	0.01
Long term Provisions	17	182.26	159.15
Deferred tax liabilities (net)	26	-	0.69
Total non-current liabilities		7,518.32	8,226.58
Current liabilities			
Financial liabilities			
Borrowings	14	8,375.00	89.04
Trade payables			
Total outstanding dues of micro enterprise's and small enterprise's	15	-	-
Total outstanding dues of creditors other than micro enterprise's and small enterprise's	15	6,873.37	5,936.49
Other financial liabilities	16	8,019.84	9,904.65
Other current liabilities	18	18,465.28	26,576.00
Short term Provisions	17	48.26	23.17
Current tax liabilities (net)		2.08	448.25
Total current liabilities		41,783.83	42,977.60
Total equity and liabilities		79,759.86	77,704.62
Summary of Significant Accounting Policies	2:3		

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 25th June, 2020

**For and on Behalf of Board of Directors of
Arvind SmartSpaces Limited**

CIN : L45201GJ2008PLC055771

Sanjay S. Lalbhai (DIN-00008329)

Chairman

Kamal Singal (DIN-02524196)

MD & CEO

Mehul Shah

Chief Financial Officer

Prakash Makwana

Company Secretary

Place : Ahmedabad

Date : 25th June, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

	Notes	Year ended 31 st March, 2020	Year ended 31 st March, 2019
INCOME			
Revenue from operations	19	29,949.19	26,208.51
Other income	20	221.43	226.30
Total Income		30,170.62	26,434.81
EXPENSES			
Cost of construction materials and components consumed	21	1,969.47	1,903.99
Land development costs		7,025.76	1,576.40
Construction and labour costs		9,103.63	8,914.29
Changes in inventories	22	(3,716.59)	578.03
Employee benefits expenses	23	2,175.16	2,135.89
Finance costs	24	2,433.79	2,126.36
Depreciation and amortisation expense	3.1	110.85	115.21
Other expenses	25	3,792.04	2,630.74
Partners' Remuneration		721.53	1,671.39
Total Expenses		23,615.64	21,652.30
Share of profit/(loss) of joint ventures		(15.99)	(3.52)
Profit before tax		6,538.99	4,778.99
Tax expense:			
Current tax charge	26	403.69	951.89
Deferred tax charge/(credit)	26	2,021.22	709.22
Total tax expense		2,424.91	1,661.11
Net Profit for the year		4,114.08	3,117.88
Other Comprehensive Income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/(losses) on defined benefit plans		2.68	(4.02)
Income tax effect		(0.68)	1.17
Total other comprehensive income for the year, net of tax		2.00	(2.85)
Total Comprehensive Income for the year		4,116.08	3,115.03
Profit for the year attributable to :			
Equity holders of the parent company		3,931.00	3,067.00
Non-controlling interests		183.08	50.88
Other comprehensive income attributable to :			
Equity holders of the parent company		2.00	(2.85)
Non-controlling interests		-	-
Total comprehensive income attributable to :			
Equity holders of the parent company		3,933.00	3,064.15
Non-controlling interests		183.08	50.88
Earnings per equity share (nominal value per share ₹ 10/- (31st March 2019: ₹ 10/-))	27		
Basic		11.08	8.90
Diluted		11.07	8.66
Summary of Significant Accounting Policies	2.3		

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 25th June, 2020**For and on Behalf of Board of Directors of
Arvind SmartSpaces Limited**

CIN : L45201GJ2008PLCO55771

Sanjay S. Lalbhai (DIN-00008329)**Kamal Singal** (DIN-02524196)**Mehul Shah****Prakash Makwana**

Chairman

MD & CEO

Chief Financial Officer

Company Secretary

Place : Ahmedabad

Date : 25th June, 2020

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

	Notes	For the Year 2019-20	For the Year 2018-19
A. Cash flow from operating activities			
Profit for the year before tax		6,538.99	4,778.99
Adjustments to reconcile profit before tax to net cash flow			
Share of loss of joint ventures		15.99	3.52
Depreciation and amortization expense		110.85	115.21
Loss on sale of property, plant and equipment (Net)		5.22	7.43
Finance cost		2,433.79	2,126.36
Interest income		(110.68)	(110.62)
Balances written off		172.93	-
Miscellaneous balance written back		(33.96)	-
Operating profit before working capital changes		9,133.13	6,920.89
Adjustments for:			
Increase/(Decrease) in trade payables		970.81	(702.61)
Increase in provisions		48.20	57.25
(Decrease) in other liabilities		(8,107.81)	(5,418.90)
Increase/(Decrease) in financial liabilities		938.06	(3.16)
(Increase)/Decrease in inventory		(3,631.98)	1,716.87
Decrease in financial assets		154.33	120.90
(Increase)/Decrease in trade receivables		10.63	(20.92)
Decrease in other assets		223.04	(203.25)
Cash generated from/(used in) operations		(261.59)	2,467.07
Direct taxes paid (Net of refund)		(1,308.53)	(1,296.14)
Net cash generated from/(used in) operating activities	[A]	(1,570.12)	1,170.93
B. Cash flow from investing activities			
Investments in subsidiaries and joint ventures		-	(1,151.00)
Withdrawal of additional capital contribution in joint ventures		-	20.00
Loans given		-	(75.00)
Loans received back		-	900.00
Purchase of property, plant and equipment		(681.64)	(320.47)
Proceeds from sale of property, plant and equipment		20.14	30.11
Other bank balance - unclaimed dividend		(4.42)	-
Interest received		9.59	550.94
Net cash (used in) investing activities	[B]	(656.33)	(45.42)

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

	Notes	Year ended 31 st March, 2020	Year ended 31 st March, 2019
C. Cash flow from financing activities			
Proceeds from long term borrowings		13,022.73	9,878.67
Repayment of long term borrowings		(16,598.01)	(8,942.00)
Proceeds from short term borrowings (Net)		8,285.96	89.05
Capital contribution in LLP by minority partners		2,640.10	3,629.50
Withdrawal from LLP by minority partners		(2,292.58)	(4,303.26)
Finance costs paid		(2,412.03)	(2,135.62)
Dividend Paid including DDT		(640.08)	-
Proceeds from issue of share capital through warrants & ESOPs (including securities premium)		133.76	685.74
Net cash generated from/(used) in financing activities	[C]	2,139.85	(1,097.92)
Net Increase/(Decrease) in cash and cash equivalents	[A+B+C]	(86.60)	27.59
Cash and cash equivalents at the beginning of the year		635.32	607.73
Cash and cash equivalents at the end of the year		548.72	635.32
Components of cash and cash equivalents (Refer note - 7)			
Balances with banks		545.89	628.91
Cash in hand		2.83	6.41
		548.72	635.32
Summary of Significant Accounting Policies	2-3		

Notes to the Cash Flow Statement for the year ended on 31st March, 2020.

- The Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.
- Changes in liabilities arising from financing activities :

Particulars	April 1, 2019	Cash Flow	Other	31 st March, 2020
Current borrowings (refer Note 14)	89.04	8,285.96	-	8,375.00
Non-current borrowings (Note 14)	8,066.73	(3,575.28)	2,844.61	7,336.06
Accrued interest (Note 16)	15.74	(15.74)	37.50	37.50
Total liabilities from financing activities	8,171.51	4,694.94	2,882.11	15,748.56

Particulars	April 1, 2018	Cash Flow	Other	31 st March, 2019
Current borrowings (refer Note 14)	-	89.05	0.01	89.04
Non-current borrowings (Note 14)	10,014.17	936.67	(2,884.11)	8,066.73
Accrued interest (Note 16)	-	-	15.74	15.74
Total liabilities from financing activities	10,014.17	1,025.72	(2,868.36)	8,171.51

Note: The 'other' column includes the effect of reclassification of non-current portion of borrowings to current due to passage of time.

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 25th June, 2020

**For and on Behalf of Board of Directors of
Arvind SmartSpaces Limited**

CIN : L45201GJ2008PLC055771

Sanjay S. Lalbhai (DIN-00008329)

Chairman

Kamal Singal (DIN-02524196)

MD & CEO

Mehul Shah

Chief Financial Officer

Prakash Makwana

Company Secretary

Place : Ahmedabad

Date : 25th June, 2020

Consolidated Statement of Changes in Equity for the year ended on 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

Particulars	No. of shares	Amount
A. Equity share capital (Refer Note 12)		
As at 1st April, 2018	3,18,67,550	3,186.76
Issued during the year pursuant to preferential share warrants	30,00,000	300.00
Issued during the year pursuant to exercise of ESOP	3,66,000	36.60
As at 31st March, 2019	3,52,33,550	3,523.36
Issued during the year pursuant to preferential share warrants	-	-
Issued during the year pursuant to exercise of ESOP	3,20,000	32.00
As at 31st March, 2020	3,55,53,550	3,555.36

B. Other equity

	Attributable to equity holders of the Company (Refer note 13)							Non-controlling Interest	Total other equity
	Securities premium	Capital Reserve	Share Based Payment Reserve	Retained Earnings	Money received against share warrants	Other comprehensive income reserve	Total		
As at 1st April 2018	12,065.55	38.36	89.27	9,321.98	4,806.00	(7.94)	26,313.22	1,908.39	28,221.61
Profit for the year	-	-	-	3,067.00	-	-	3,067.00	50.88	3,117.88
Ind AS - 115 Adjustment	-	-	-	(7,795.46)	-	-	(7,795.46)	(239.22)	(8,034.68)
Other comprehensive income	-	-	-	-	-	(2.85)	(2.85)	-	(2.85)
Total comprehensive income	12,065.55	38.36	89.27	4,593.52	4,806.00	(10.79)	21,581.91	1,720.05	23,301.96
Issue of share warrants	-	-	-	-	(4,806.00)	-	(4,806.00)	-	(4,806.00)
Issue of equity shares pursuant to exercise of stock options	5,199.78	-	(44.64)	-	-	-	5,155.14	-	5,155.14
Additional capital contribution by non controlling interests	-	-	-	-	-	-	-	(674.02)	(674.02)
As at 31st March, 2019	17,265.33	38.36	44.63	4,593.52	-	(10.79)	21,931.05	1,046.03	22,977.08
As at 1st April 2019	17,265.33	38.36	44.63	4,593.52	-	(10.79)	21,931.05	1,046.03	22,977.08
Profit for the year	-	-	-	3,931.00	-	-	3,931.00	183.08	4,114.08
Other comprehensive income	-	-	-	-	-	2.00	2.00	-	2.00
Total comprehensive income	17,265.33	38.36	44.63	8,524.52	-	(8.79)	25,864.05	1,229.11	27,093.16
Issue of equity shares pursuant to exercise of stock options	139.96	-	(38.21)	-	-	-	101.75	-	101.75
Additional capital contribution by non controlling interests	-	-	-	-	-	-	-	347.52	347.52
Dividend Paid (including DDT)	-	-	-	(640.08)	-	-	(640.08)	-	(640.08)
As at 31st March, 2020	17,405.29	38.36	6.42	7,884.44	-	(8.79)	25,325.72	1,576.63	26,902.35

Summary of Significant Accounting Policies

2.3

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 25th June, 2020

For and on Behalf of Board of Directors of Arvind SmartSpaces Limited

CIN : L45201GJ2008PLCo55771

Sanjay S. Lalbhai (DIN-00008329)

Kamal Singal (DIN-02524196)

Mehul Shah

Prakash Makwana

Chairman

MD & CEO

Chief Financial Officer

Company Secretary

Place : Ahmedabad

Date : 25th June, 2020

Notes to consolidated financial statements for the year ended 31st March, 2020

1. Corporate Information

The consolidated financial statements comprise financial statements of Arvind SmartSpaces Limited (“Holding Company” or “ASL”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) for the year ended 31st March 2020. The Company is a public company domiciled in India and is incorporated on 26th December, 2008 under the provisions of the Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The registered office of the group is located at 24, Government Servant society, Nr Municipal Market, CG road, Navrangpura, Ahmedabad – 380009.

The Group and its joint ventures is in the business of development of real estate comprising of residential, commercial and industrial projects.

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on 25th June, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and its joint ventures have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year except for items disclosed below.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value at the end of each reporting period, as explained in the accounting policies below. The consolidated financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its joint ventures as at 31 March 2020. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- d) The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31st and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- e) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated balance sheet and consolidated statement of changes in equity, respectively.

2.3 Summary of Significant Accounting Policies

a. Business combination

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group

Notes to consolidated financial statements for the year ended 31st March, 2020

accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

b. Investment in Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture is eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in joint venture, the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the

consolidated statement of profit and loss. The financial statements of the joint venture is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

d. Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

Notes to consolidated financial statements for the year ended 31st March, 2020

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Group's normal operating cycle in respect of operations relating to the construction of real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects is based on 12 months period. Assets and liabilities have been classified into current and non-current based on their respective operating cycle.

e. Property, Plant and Equipment

Property, plant and equipment, are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book

value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

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

f. Depreciation on Property, Plant and Equipment

Depreciation on property, plant and equipment are provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013.

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

g. Intangible Assets

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

Intangible assets comprising of computer software are amortized on a written down value basis over a period of three years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the

Notes to consolidated financial statements for the year ended 31st March, 2020

carrying amount of the asset and are recognized in the consolidated statement of profit and loss when asset is derecognized.

h. Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to consolidated statement of profit and loss.

i. Inventories

Direct expenditures relating to real estate activity are inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the consolidated statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. Work-in-progress (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.
- ii. Finished goods – unsold flats and plots: Valued at lower of cost and net realizable value.
- iii. Construction material: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

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

j. Land

Advances paid by the Group to the seller/ intermediary towards outright purchase of land is recognized as land advance under other assets during the course of obtaining clear and marketable title, free from all

encumbrances and transfer of legal title to The group, whereupon it is transferred to land stock under inventories.

Land/ development rights received under joint development arrangements ('JDA') is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The amount of non-refundable deposit paid by the Group under JDA is recognized as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress. Further, the amount of refundable deposit paid by the group under JDA is recognized as deposits under loans.

k. Revenue from contracts with customers

(i) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration and adjusted for discounts, if any, as specified in the contract with the customer. The Group presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration and the existence of significant financing components, if any.

Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Group as a single performance obligation, as they are highly interrelated/ interdependent.

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

Notes to consolidated financial statements for the year ended 31st March, 2020

For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Group has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

(ii) Contract balances

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(iii) Cost to obtain a contract

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The Group incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

(iv) Share in profit/ loss of Limited liability partnerships (“LLPs”) and partnership firm

The Company's share in profits from LLPs and partnership firm, where the Company is a partner, is

recognised as income in the statement of profit and loss as and when the right to receive its profit/ loss share is established by the Company in accordance with the terms of contract between the Company and the partnership entity.

(v) Interest income

Interest income, including income arising from other financial instruments measured at amortised cost, is recognised using the effective interest rate method.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

I. Retirement and other employee benefits

Retirement benefits in the form of state governed Employee Provident Fund, Employee State Insurance is defined contribution schemes (collectively the ‘Schemes’). The Group has no obligation, other than the contribution payable to the schemes. The Group recognizes contribution payable to the schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its consolidated balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to consolidated statement of profit and loss. As required under Ind AS compliant Schedule III, the Group recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Notes to consolidated financial statements for the year ended 31st March, 2020

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss. The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

m. Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the consolidated statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

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

II. Deferred income tax - Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer

probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

n. Share based payment

Employees (including senior executives) of the Group receives remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and the cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and The Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o. Segment reporting

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Notes to consolidated financial statements for the year ended 31st March, 2020

p. Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

Where the Group is the lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Lease under Ind AS 17:

Finance Leases, which effectively transfer to the Group substantially all the risks and rewards incidental to the ownership of lease item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the leased term and disclosed as leased assets.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term since the payment to the lessor are structured in a manner that the increase is not expected to be in line with expected general inflation.

q. Provisions and contingent liabilities

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not

Notes to consolidated financial statements for the year ended 31st March, 2020

probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

r. Financial Instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

- i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

- ii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in consolidated statement of profit and loss.

- iii. Debt instruments at amortized cost

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

- iv. Equity investment in subsidiaries and joint ventures

Investment in subsidiaries and joint ventures are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

- v. De-recognition of financial asset

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

- vi. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

- vii. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for

Notes to consolidated financial statements for the year ended 31st March, 2020

trading if they are incurred for the purpose of repurchasing in the near term.

viii. Financial liabilities at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ix. De-recognition of financial liability

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

x. Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

s. Impairment

a. Financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and /or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Notes to consolidated financial statements for the year ended 31st March, 2020

t. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

u. Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Classification of property

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the group develops and intends to sell before or during the course of construction or upon completion of construction.

(b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material

adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) Identification of performance obligation

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Group as a single performance obligation, as they are highly interrelated/ interdependent. In assessing whether performance obligations relating to sale of undivided share of land and constructed area are highly interrelated/ interdependent, the Group considers factors such as:

- whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.

Notes to consolidated financial statements for the year ended 31st March, 2020

- whether the entity will be able to fulfil its promise under the contract to transfer the undivided share of land without transfer of constructed area or transfer the constructed area without transfer of undivided share of land.

b) Timing of satisfaction of performance obligation

Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the entity considers the same as transferred at a point in time.

For contracts where control is transferred at a point in time, the Group considers the following indicators of the transfer of control of the asset to the customer:

- When the entity obtains a present right to payment for the asset.
- When the entity transfers legal title of the asset to the customer.
- When the entity transfers physical possession of the asset to the customer.
- When the entity transfers significant risks and rewards of ownership of the asset to the customer.
- When the customer has accepted the asset.

c) Significant financing component

For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Group has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

3.1 Property Plant and Equipment

	Build-ings	Equip-ment	Furniture & Fixtures	Office Equip-ment	Computers	Vehicles	Total	Capital work in progress *
Cost								
At 1st April, 2018	504.02	214.71	112.78	13.15	45.93	293.61	1,184.20	1,214.47
Additions	-	29.01	56.28	0.87	22.20	13.38	121.74	-
Disposals	-	6.52	10.80	0.70	6.19	26.64	50.85	-
At 31st March, 2019	504.02	237.20	158.26	13.32	61.94	280.35	1,255.09	1,411.99
Additions		20.18	20.28	0.88	10.78	10.78	62.90	
Disposals		29.74		0.83	0.15	18.73	49.45	-
At 31st March, 2020	504.02	227.64	178.54	13.37	72.57	272.40	1,268.54	2,005.36
Depreciation and impairment								
At 1st April, 2018	35.00	38.91	36.77	4.79	26.10	50.59	192.16	
Depreciation charge for the year	17.50	21.59	21.70	2.60	11.71	38.85	113.95	-
Deductions	-	1.11	0.71	0.32	2.61	8.56	13.31	-
At 31st March, 2019	52.50	59.39	57.76	7.07	35.20	80.88	292.80	
Depreciation charge for the year	17.50	21.64	19.60	2.03	11.98	37.15	109.90	-
Deductions	-	15.73	-	0.43	0.14	7.78	24.08	-
At 31st March, 2020	70.00	65.30	77.36	8.67	47.04	110.25	378.62	
Net book value								
At 31st March, 2020	434.02	162.34	101.18	4.70	25.53	162.15	889.92	2,005.36
At 31st March, 2019	451.52	177.81	100.50	6.25	26.74	199.47	962.29	1,411.99

* Capital Work in progress mainly includes amount incurred towards development of club house at Arvind Uplands.

3.2 Intangible assets

	Software	Total
Cost		
At 1st April, 2018	7.25	7.25
Additions	1.21	1.21
Disposals	-	-
At 31st March, 2019	8.46	8.46
Additions	2.54	2.54
Disposals	-	-
At 31st March, 2020	11.00	11.00
Amortisation and impairment		
At 1st April, 2018	5.18	5.18
Amortisation charge for the year	1.26	1.26
At 31st March, 2019	6.44	6.44
Amortisation charge for the year	0.95	0.95
At 31st March, 2020	7.39	7.39
Net book value		
At 31st March 2020	3.61	3.61
At 31st March 2019	2.02	2.02

Note : For property plant & equipment existing as on 1 April 2016 i.e. the date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2016 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2016.

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

4 Investments in joint ventures

Particulars	Non current portion		Current portion	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Unquoted (carried at cost)				
In capital of Limited Liability Partnership firms (joint ventures)				
Arvind Bsafal Homes LLP	-	-	143.20	159.16
Arvind Integrated Projects LLP	0.26	0.28	-	-
Total investments	0.26	0.28	143.20	159.16
Aggregate value of unquoted investments	0.26	0.28	143.20	159.16

Note: i) Aggregate and Fair value of Quoted investment is Rs Nil.
ii) Aggregate value of impairment of Investment is Rs Nil.

5 Loans

Particulars	Non current portion	
	31 st March, 2020	31 st March, 2019
(Unsecured, considered good)		
Loan to others (refer note below)	605.00	605.00
	605.00	605.00

Note: (i) Since all the above loans given by the group are unsecured and considered good, the bifurcation of loan in other categories as required by schedule III of Companies Act, 2013 Viz : (a) Secured, (b) Loans which have significant increase in credit risk and (c) credit impaired is not applicable.
(ii) Out of total loan outstanding of ₹ 605 lacs (March 31, 2019 : ₹ 605 lacs) , ₹ 455 lacs is given at 12% p.a. and the balance at 11.5 % p.a. rate of interest and the same are repayable on demand.
(iii) For amounts due and terms and conditions relating to related party receivables, refer Note 39.

6 Trade receivables

Particulars	31 st March, 2020	31 st March, 2019
(Unsecured, considered good)		
Trade receivables	101.97	112.60
	101.97	112.60

Note: (i) Since all the above trade receivables of the group are unsecured and considered good, the bifurcation of trade receivables in other categories as required by schedule III of Companies Act, 2013 Viz: (a) Secured, (b) Receivables which have significant increase in credit risk and (c) credit impaired is not applicable.
(ii) For amounts due and terms and conditions relating to related party receivables, refer Note 39
(iii) For information about credit risk and market risk related to trade receivables, refer note 35

7 Cash and cash equivalents

Particulars	31 st March, 2020	31 st March, 2019
Balances with banks in current accounts	545.89	628.91
Cash on hand	2.83	6.41
	548.72	635.32

8 Other bank balances

Particulars	31 st March, 2020	31 st March, 2019
Earmarked balances for unclaimed dividend	4.42	-
	4.42	-

Notes to consolidated financial statements for the year ended 31st March, 2020

9 Other financial assets

(Amount in INR Lacs unless stated otherwise)

Particulars	Non current portion		Current portion	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
(Unsecured, considered good)				
Security deposits	111.74	240.09	4.73	-
Interest accrued - others	167.39	7.14	-	85.41
Loan given to partners	3,369.46	3,369.46	-	-
Advance for land, recoverable in cash	-	-	994.62	1,142.92
Bank deposits with original maturity of more than 12 months	-	130.00	130.00	-
Others	-	-	35.19	40.54
	3,648.59	3,746.69	1,164.54	1,268.87

10 Inventories (At lower of cost and net realisable value)

Particulars	31 st March, 2020	31 st March, 2019
Construction work-in-progress	64,276.83	61,449.54
Unsold developed plots of land and units	1,617.64	728.34
Construction materials	381.84	466.45
	66,276.31	62,644.33

11 Other assets

Particulars	Non current portion		Current portion	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
(Unsecured, considered good)				
Prepaid expenses	9.94	29.92	120.85	119.91
Advances recoverable in cash or kind or for value to be received	-	-	992.22	1,149.01
Balance with government authorities	-	-	777.91	989.37
Advance for land (refer note below)	220.08	119.63	-	150.00
Others advances	1.10	1.30	190.47	26.47
	231.12	150.85	2,081.45	2,434.76

Note: Advance for land though unsecured, are considered good as the advances have been given based on arrangement/memorandum of understanding executed by the group and the company/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation.

12 Equity share capital

Particulars	31 st March, 2020	31 st March, 2019
(a) Authorised		
5,00,00,000 (31st March, 2019: 5,00,00,000) equity shares of ₹10/- each (P.Y. ₹10/-)	5,000.00	5,000.00
(b) Issued, subscribed and fully paid-up		
3,55,53,550 (31st March, 2019: 3,52,33,550) equity shares of ₹10/- each (P.Y. ₹10/-)	3,555.36	3,523.36

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

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

Particulars	31 st March, 2020		31 st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Outstanding at beginning of the year	3,52,33,550	3,523.36	3,18,67,550	3,186.76
Add :				
Exercise of share options under ESOS/ESOP	3,20,000	32.00	3,66,000	36.60
Shares issued pursuant to preferential share warrants	-	-	30,00,000	300.00
Outstanding at end of the year	3,55,53,550	3,555.36	3,52,33,550	3,523.36

(d) Terms / rights attached to the equity shares

- (i) The Parent company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of director is subject to the approval of the shareholders in the ensuing Annual General meeting.
- (ii) In the event of liquidation of the Parent company the holders of the equity shares will be entitled to receive any of the remaining assets of the parent company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.
- (iii) During the year, Parent company has allotted Nil (31st March, 2019 : 30,00,000) equity shares of ₹ 10/- each at a premium Nil (31st March, 2019 : ₹ 168/-) each pursuant to conversion of the warrants issued and allotted earlier on preferential basis to the promotor and promotor group entities.
- (iv) During the year ended 31st March, 2020 the Parent Company has allotted 3,20,000 (31st March, 2019: 3,66,000) equity shares of ₹ 10/- each to the eligible employee/s pursuant to the exercise of stock options granted to them under Employees Stock Option Scheme - 2013 (AIL ESOP 2013).

(e) Shareholders holding more than 5% in the shareholding of the holding company

Name of the shareholder	31 st March, 2020			31 st March, 2019		
	No. of shares	₹ in Lacs	% Holding	No. of shares	₹ in Lacs	% Holding
Equity shares of ₹ 10 each fully paid						
Aura Securities Private Limited	1,87,12,646	1,871.26	52.63%	1,87,12,646	1,871.26	53.11%
Ketankumar Ratilal Patel	22,63,923	226.39	6.37%	17,30,000	173.00	4.91%

As per records of the Parent company, including its register of shareholders / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(f) Distribution made and proposed by holding Company

Particulars	31 st March, 2020	31 st March, 2019
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended 31st March 2020: ₹ 1.50 per share (31st March, 2019: Nil)	533.31	-
DDT on final dividend	106.77	-
	640.08	-
Proposed dividend on equity shares		
Final cash dividend for the year ended on 31st March 2020: Nil (31st March 2019: ₹ 1.50 per share)	-	533.31
DDT on final dividend	-	106.77
	-	640.08

- (g)** For details of shares reserved for issue under the share based payment plan of the company, Please refer note 31.

Notes to consolidated financial statements for the year ended 31st March, 2020

13 Other equity

(Amount in INR Lacs unless stated otherwise)

Particulars	31 st March, 2020	31 st March, 2019
(a) Securities Premium		
Balance at the beginning of the year	17,265.33	12,065.55
Add: Received during the year on issue of equity shares	139.96	5,199.78
Balance at the end of the year	17,405.29	17,265.33
(b) Share Based Payment Reserve		
Balance at the beginning of the year	44.63	89.27
Less: Transferred to securities premium on exercise of stock options	(38.21)	(44.64)
Balance at the end of the year	6.42	44.63
(c) Surplus in the consolidated statement of profit and loss		
Balance at the beginning of the year	4,593.52	9,321.98
Less: Impact of transition to Ind AS - 115	-	(7,795.46)
Add: Profit for the year	3,931.00	3,067.00
Less: Dividend (including DDT)	(640.08)	-
Balance at the end of the year	7,884.44	4,593.52
(d) Other comprehensive income reserve		
Balance at the beginning of the year	(10.79)	(7.94)
Add: Movement in OCI (Net) during the year	2.00	(2.85)
Balance at the end of the year	(8.79)	(10.79)
(e) Capital Reserve (arising on consolidation)		
Balance at the beginning of the year	-	-
Balance at the end of the year	38.36	38.36
(f) Money received against share warrants		
Balance at the beginning of the year	-	4806
Less: Issued during the year	-	(4806)
Balance at the end of the year	-	-
	25,325.72	21,931.05

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Share based payment reserve

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

Capital Reserve

Capital reserve on consolidation represents excess of fair value of net assets acquired over consideration paid.

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

14 Borrowings

Particulars	Effective Rate of Interest	Maturity	31 st March, 2020	31 st March, 2019
Non-current borrowings				
Secured				
Line of credit facility from NBFC	HDFC CPLR minus 655 bps	2016-2021	3,073.36	11,900.68
Line of credit facility from NBFC	HDFC CPLR minus 700 bps	2019-2023	5,278.29	-
Vehicle loans from banks	9-10%	2014-2023	94.14	132.89
Term loans	10.25%	2021	4,988.15	4,975.65
Total			13,433.94	17,009.22
Less : Current maturity of long term borrowings clubbed under other financial liabilities (Refer Note 16)			(6,097.88)	(8,942.49)
Total			7,336.06	8,066.73
Current borrowings				
Secured				
Term loans	IFCI IBR-ST Plus 145 bps	2020-21	8,375.00	-
Unsecured				
Inter-corporate deposits repayable on demand	10.00%	On demand	-	89.04
Total			8,375.00	89.04
The above amount includes :				
Secured Borrowings			15,711.06	8,066.73
Unsecured borrowings			-	89.04

Nature of Securities on above loans :

- The line of credit facility amounting to ₹ 3,073.36 lacs (March 31, 2019 : ₹ 11,900.68 lacs) from HDFC Limited is secured by first mortgage of project land named "Arvind Sporcia" bearing Revenue Survey Nos. 89/6, 90/1 and 90/2 all situated at Rachenahalli village, Krishnarajapuram Hobli, Bangalore East with the development with thereon- present and future and further secured by unsold units of "Arvind Citadel" project being developed on Plot no. 162, TPS 20, City Survey no. 555, Behind Super Mall, off C G Road, Navrangpura, Ahmedabad along with undivided share in land , further secured by unsold units of "Arvind Expansia" project being developed on Survey No. 55, Mahadevapura village, Krishnarajapuram Hobli, Whitefield Road, Bangalore along with undivided share in land and further secured by first mortgage of project land named "Arvind Skylands" bearing Revenue Survey Nos. 40, 45/2B, & 45/2C, Jakkur Main Road, Shivanahalli, GKVK layout, Yelahanka Hobli, Bangalore along with construction thereon and together all rights appurtenant thereto.
- The line of credit facility amounting to ₹ 5,278.29 lacs (March 31, 2019 : ₹ Nil) from HDFC Limited is secured by first mortgage of project land named "Arvind Oasis" bearing Revenue Survey Nos. 98/2, 100 and 101 situated at Nagasandra village, Yeshwanthapur Hobli, Tumkuru , Bangalore with the development with thereon- present and future and further along with construction thereon and together all rights appurtenant thereto.
- Vehicle loans amounting to ₹ 94.14 lacs (March 31, 2019 : ₹ 132.89 lacs) are secured by vehicles.
- Total term loan outstanding of ₹ 4,988.15 lacs (March 31, 2019 : ₹ 4,975.65 lacs) is secured against residential land at project named "Arvind Uplands" owned by group.
- Current term loan of ₹ 8,375 Lacs (March 31, 2019 : Nil) is secured against unsold villas and cash flow of project named "Arvind Uplands" owned by group..

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

Secured Loan

Line of Credit Facility

HDFC Limited

The group will ensure at least 30% of sales receivable towards the principal repayment from the date of first disbursement; this percentage will be reviewed subsequently every quarter and will be mutually modified with group as per progress of work. However, the maximum principal of the loan will not exceed ₹ 2,000.00 lacs at the end of 48th month and will be repaid by 60th month.

Line of Credit Facility

HDFC Limited

The group will ensure at least 15% of sales receivable towards the principal repayment from the date of first disbursement; this percentage will be reviewed subsequently every quarter and will be mutually modified with group as per progress of work. However, the maximum principal of the loan will not exceed ₹ 4500.00 lacs at the end of 51st month and will be repaid by 60th month.

Vehicle Loan

HDFC Bank Limited

Loan is repayable in monthly instalments on varied dates as mentioned above.

Term Loan

Bajaj Finance Limited

Loan of ₹ 4,988.15 Lacs (March 31, 2019 : ₹ 4,975.65 Lacs) on which interest is payable at the rate of 10.25% is repayable at the end of March-2021.

IFCI Limited

During the year group has availed loan of ₹ 8,375.00 lacs (March 31, 2019 ₹ NIL) which is at the rate of IFCI IBR-ST + 145 bps which during the current year is 10.75% repayable fully by July 2020..

15 Trade payables

Particulars	Non current portion		Current portion	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Total outstanding dues of micro and small enterprise	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprise				
For goods and services	-	0.01	4,047.46	3,062.50
For land	-	-	2,825.91	2,873.99
	-	0.01	6,873.37	5,936.49

- Trade payables for goods and services are non-interest bearing and are normally settled on 30 to 90 days terms
- Based on information available with Group, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" till 31st March, 2020. Accordingly no disclosures are required to be made under said Act. This has been relied by the Auditors.
- Refer Note 35 for group's credit risk management process.

16 Other financial liabilities

Particulars	31 st March, 2020	31 st March, 2019
Current maturities of non-current borrowings (Refer Note 14)	6,097.88	8,942.50
Unclaimed Dividend	4.42	-
Interest accrued and not due on borrowings	37.50	15.74
Advances against capital contribution	1,880.04	946.41
	8,019.84	9,904.65

17 Provisions

Particulars	Non current portion		Current portion	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Provision for employee benefits				
Provision for gratuity (Refer Note 30)	95.56	86.51	22.53	11.04
Provision for leave encashment	86.70	72.64	25.73	12.13
	182.26	159.15	48.26	23.17

Notes to consolidated financial statements for the year ended 31st March, 2020**18 Other current liabilities**

(Amount in INR Lacs unless stated otherwise)

Particulars	31 st March, 2020	31 st March, 2019
Advances from customers (Refer Note 40)	18,239.28	26,482.79
Statutory dues	216.19	87.98
Other payables	9.81	5.23
	<u>18,465.28</u>	<u>26,576.00</u>

19 Revenue from operations

Particulars	For the year 2019-20	For the year 2018-19
Revenue from contracts with customers (Refer note 40)		
Commercial and residential units	29,798.33	26,014.40
Transferrable development rights (Refer note 39)	-	127.62
Other operating revenue		
Plot cancellation and transfer fees	36.36	31.29
Miscellaneous	114.50	35.20
	<u>29,949.19</u>	<u>26,208.51</u>

20 Other income

Particulars	For the year 2019-20	For the year 2018-19
Interest income from loans	110.68	110.62
Others	110.74	115.68
	<u>221.43</u>	<u>226.30</u>

21 Cost of construction materials and components consumed

Particulars	For the year 2019-20	For the year 2018-19
Inventory at the beginning of the year	466.46	355.00
Add: Purchases	1,884.85	2,015.45
Less: Inventory at the end of the year	(381.84)	(466.46)
Cost of construction materials and components consumed	<u>1,969.47</u>	<u>1,903.99</u>

22 Changes in inventories

Particulars	For the year 2019-20	For the year 2018-19
Closing Stock		
Unsold developed plots of land and units	1,617.64	728.34
Construction work-in-progress	64,276.83	61,449.54
	<u>65,894.47</u>	<u>62,177.88</u>
Opening Stock		
Unsold developed plots of land and units	728.34	935.76
Construction work-in-progress	61,449.54	33,799.72
	<u>62,177.88</u>	<u>34,735.48</u>
Less: Expenses recovered	-	(1,253.25)
Add: Land development rights acquired	-	1,320.85
Add: Transition to Ind AS 115 Adjustment	-	27,952.83
Decrease/(Increase) in inventories	<u>(3,716.59)</u>	<u>578.03</u>

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

23 Employee benefit expenses

Particulars	For the year 2019-20	For the year 2018-19
Salaries, allowances & bonus	2,024.20	1,961.55
Contribution to provident & other funds (Refer note 30)	86.95	72.32
Gratuity (Refer note 30)	27.08	33.83
Staff welfare expenses	36.93	68.19
	2,175.16	2,135.89

24 Finance costs

Particulars	For the year 2019-20	For the year 2018-19
Interest on		
Inter-corporate deposits	11.63	17.49
Term loan from NBFC	1,714.01	656.48
Line of credit facility from NBFC	577.31	1,297.47
Vehicle loans from banks	9.78	13.35
Others	108.14	112.80
	2,420.87	2,097.59
Other borrowing costs	12.92	28.77
	2,433.79	2,126.36

Note: Net of interest amounting to ₹ 1642.08 lacs (P.Y. ₹ 1,992.83 lacs) inventorised to qualifying construction work-in-progress.

25 Other expenses

Particulars	For the year 2019-20	For the year 2018-19
Repairs and maintenance		
Buildings	33.22	-
Others	19.61	20.21
Rates and taxes	850.72	349.10
Travelling expenses	84.25	78.30
Power and fuel	88.44	92.39
Advertisement	673.99	857.36
Brokerage and commission charges	85.81	123.93
Legal and professional charges	1,151.36	636.55
Secretarial expenses	73.99	64.01
Information Technology expenses	14.95	12.59
Auditors' remuneration (Refer note a)	24.12	24.00
Insurance charges	42.91	45.43
CSR expenses (Refer note b)	37.30	27.50
Loss on sale of property, plant and equipment	5.55	7.43
Rent	22.36	20.42
Land advance written off	50.00	-
Security deposit written off	123.17	-
Donation	100.00	-
Miscellaneous expenses	308.29	271.52
	3,792.04	2,630.74

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

a. Payment to Auditors

Particulars	For the year 2019-20	For the year 2018-19
Statutory audit fees	18.30	18.30
Limited review fees	5.70	5.70
Out of pocket expenses	0.12	-
	24.12	24.00

b. Details of CSR expenditure

Particulars	For the year 2019-20			For the year 2018-19		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Gross amount required to be spent during the year	-	-	37.25	-	-	27.15
Amount spent during the year						
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than above	37.30	-	37.30	27.50	-	27.50
Total	37.30	-	37.30	27.50	-	27.50

26 Income Tax

(a) Tax expenses

The major components of income tax expenses for the years ended 31st March, 2020 and 31st March, 2019 are:

Statement of Profit and Loss :

Particulars	For the year 2019-20	For the year 2018-19
Profit or loss section :		
Current income tax		
Current income tax charge	403.69	951.89
Deferred tax		
Relating to origination and reversal of temporary differences	2,021.22	709.22
Income tax expense reported in the statement of profit or loss	2,424.91	1,661.11
OCI section :		
Deferred tax related to items recognised in OCI during in the year:		
Net loss/(gain) on remeasurements of defined benefit plans	(0.68)	1.17
Income tax effect recognised in OCI	(0.68)	1.17

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2020 and 31st March 2019:

Particulars	For the year 2019-20	For the year 2018-19
Accounting profit before income tax	6,538.99	4,778.99
Tax on accounting profit at statutory income tax rate 25.17% (31st March, 2019: 29.12%)	1,645.86	1,391.64
On account of different tax rate in subsidiaries	543.11	71.27
On account of unabsorbed losses in subsidiaries	166.99	193.24
Expenses disallowed	5.14	3.64
Revaluation of deferred tax asset due to change in tax rate (refer note below)	59.59	-
Others	4.22	1.33
Tax expense at an effective tax rate of 25.17% (31 March 2019: 29.12%)	2,424.91	1,661.11

Note : The Parent Company has elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) ordinance, 2019. Accordingly, the Parent Company has recognized the provision for income tax for the year ended March 31, 2020 and remeasured its deferred tax basis the rate prescribed in the aforesaid section. The resultant impact of INR 59.59 lacs has been accounted in the Current Years financial statements.

(c) Deferred tax

Particulars	Consolidated Balance sheet		Other comprehensive income		Consolidated Statement of profit and loss	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	For the year 2019-20	For the year 2018-19
a) Deferred Tax Liabilities						
Impact of difference between tax depreciation and depreciation charged for the financial reporting	33.80	45.19	-	-	11.38	(28.13)
Gross deferred tax liabilities	33.80	45.19	-	-	11.38	(28.13)
b) Deferred Tax Assets						
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	57.34	63.21	(0.68)	1.17	5.19	(34.02)
Income offered for tax but not recognized in the books	1,070.42	3,096.47	-	-	2,027.41	715.11
Gross deferred tax assets	1,127.76	3,159.68	(0.68)	1.17	2,032.60	681.09
Deferred tax expense/(income)			(0.68)	1.17	2,021.22	709.22
Deferred tax assets/(liabilities)	1,093.96	3,114.49				

Reconciliation of deferred tax liabilities/(assets) (net):

Particulars	31 st March, 2020	31 st March, 2019
Opening balance as at 1 st April	3,114.49	10.96
On adoption of transition to IndAs 115 on 1 st April, 2018	-	3,811.58
Deferred tax credit/(charge) during the period recognised in profit or loss	(2,021.22)	(709.22)
Deferred tax credit/(charge) during the period recognised in OCI	(0.68)	1.17
Closing balance as at 31st March	1,093.96	3,114.49

Note : Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions including positions relating to transfer pricing. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have any material impact on the financial statements of the Group.

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

27 Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit or loss attributable to equity holders of Parent company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is calculated by dividing the profit for the year attributable to equity shareholders of the parent company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year 2019-20	For the year 2018-19
Earnings per share (Basic and Diluted)		
Profit after tax attributable to equity holders of the parent	3,931.00	3,067.00
Total number of equity shares at the end of the year	3,55,53,550	3,52,33,550
Weighted average number of equity shares		
For basic EPS	3,54,77,762	3,44,79,534
For diluted EPS	3,55,18,264	3,54,02,860
Nominal value of equity shares	10.00	10.00
Basic earnings per share	11.08	8.90
Diluted earnings per share	11.07	8.66
Weighted average number of equity shares for basic EPS	3,54,77,762	3,44,79,534
Effect of dilution: stock options granted under ESOP	40,502	2,49,413
Effect of dilution: share warrants	-	6,73,913
Weighted average number of equity shares adjusted for the effect of dilution	3,55,18,264	3,54,02,860

28 Commitments and Contingencies

a. Commitments

As at March 31, 2020 the Group has given net advance of ₹ 1,214.70 lacs (31st March, 2019: ₹ 1,412.55 lacs) for purchase of land, under the agreements executed with the land owners. The Group is required to make further payments based on the agreed terms. As at March 31, 2020, one of the subsidiaries has ₹ 3,369.46 lacs (31st March, 2019 : ₹ 3,369.46 lacs) outstanding as interest free loan given to its Land Managing Partners.

b. Contingent liabilities

Particulars	31 st March, 2020	31 st March, 2019
Disputed demands in respect of -		
Income Tax (Refer note a)	541.22	552.98
Excise (Refer note b)	4.90	4.90
Service Tax (Refer note b)	6.80	6.80
Others	0.72	0.72

Notes:

- The Group has not recognized and acknowledged the claims as liability in the books of account amounting to ₹ 541.22 lacs (31st March, 2019: ₹ 552.98 lacs) which have been made against the group by Department of Income Tax since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.
- The Group has not recognized and acknowledged the claims as liability in the books of account amounting to ₹ 11.70 lacs (31st March, 2019: ₹ 11.70 lacs) which have been made against the Group by Department of Central Board of Excise and Customs since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

Notes to consolidated financial statements for the year ended 31st March, 2020

29 Segment Reporting

(Amount in INR Lacs unless stated otherwise)

The Group's primary business is development of real estate comprising of residential, commercial and industrial projects. Group's performance for operation as defined in Ind AS 108 are evaluated as a whole by chief operating decision maker ('CODM') of the Group based on which development of real estate activities are considered as a single operating segment. The Group reports geographical segment which is based on the areas in which major operating divisions of the Group operate and the entire operations are based only in India. During the year 2018-19 and 2019-20, no single external customer has generated revenue of 10% or more of the Group's total revenue.

30 Disclosure pursuant to employee benefits

A. Defined contribution plans : Provident fund and employee state insurance

The Group makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Group is required to contribute a specified percentage of payroll costs. The Group during the year recognized ₹ 86.95 lacs (31st March, 2019: ₹ 72.32 lacs) as expense towards contributions to these plans.

B. Defined benefit plans

(a) Gratuity

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

31st March, 2020 : Changes in defined benefit obligation

Particulars	1 st April, 2019	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement (gains)/losses in other comprehensive income					Contributions by employer	31 st March, 2020
		Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	97.55	19.80	7.28	27.08	(3.86)	-	0.40	7.82	(10.90)	(2.68)	-	118.09
Benefit liability	97.55	19.80	7.28	27.08	(3.86)	-	0.40	7.82	(10.90)	(2.68)	-	118.09

31st March, 2019 : Changes in defined benefit obligation

Particulars	1 st April, 2018	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement (gains)/losses in other comprehensive income					Contributions by employer	31 st March, 2019
		Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	70.18	24.89	8.94	33.83	(10.48)	-	0.52	2.45	1.05	4.02	-	97.55
Benefit liability	70.18	24.89	8.94	33.83	(10.48)	-	0.52	2.45	1.05	4.02	-	97.55

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:

Particulars	31 st March, 2020	31 st March, 2019
Discount rate	6.24%	7.47%
Future salary increase	5% P.a. for next 2 years , 7% P.a. thereafter starting from third year	6%
Attrition rate	15%	7%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumptions is as shown below:

Gratuity

Particulars	Sensitivity level	Increase / (Decrease) in defined benefit obligation (Impact)	
		31 st March, 2020	31 st March, 2019
Gratuity			
Discount rate	1% increase	(5.12)	(6.42)
	1% decrease	5.65	7.29
Salary increase	1% increase	5.59	7.32
	1% decrease	(5.16)	(6.56)
Attrition rate	1% increase	(0.70)	0.17
	1% decrease	0.74	(0.25)

The following are the expected future benefit payments for the defined benefit plan :

Particulars	31 st March, 2020	31 st March, 2019
Gratuity		
Within the next 12 months (next annual reporting period)	22.53	11.04
2 to 5 years	54.04	30.51
Beyond 5 years	47.15	47.05
Total expected payments	123.72	88.60

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Years	
	31 st March, 2020	31 st March, 2019
Gratuity	6	10

31 Share-based payments

The parent company provides share-based payment schemes to its employees. During the year ended 31st March, 2020, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Notes to consolidated financial statements for the year ended 31st March, 2020

Employee Stock Option (ESOP) Scheme (2013)

(Amount in INR Lacs unless stated otherwise)

The Parent Company instituted an Employees Stock Option Scheme ("ESOP 2013") pursuant to the approval of the shareholders of the Parent company at their Extraordinary General Meeting held on March 8, 2013. As per ESOP 2013, the parent Company granted 10,32,972 options comprising equal number of equity shares in one or more tranches to the eligible employees of the Parent company. The options under this grant would vest to the employees over a minimum period of 1 year and maximum 5 years based on continued service and certain performance parameters, with an exercise period of maximum five years from the date of respective vesting. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs 41.50. There were no grants made during the year.

Employee Stock Option (ESOP) Scheme (2016)

The parent Company instituted an Employees Stock Option Scheme ("ESOP 2016") pursuant to the approval of the shareholders of the Parent company at their Annual General Meeting held on 23rd September, 2016. As per ESOP 2016, the parent Company granted 3,70,000 options comprising equal number of equity shares in one or more tranches to the eligible employees of the Parent company. The options under this grant would vest to the employees over a minimum period of 1 year and maximum 5 years based on continued service and certain performance parameters, with an exercise period of maximum five years from the date of respective vesting. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs 158.05. There were no grants made during the year.

Expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year 2019-20	For the year 2018-19
Expense arising from equity-settled share-based payment transactions	-	-
Total	-	-

* There were no cancellations or modifications to the plan during the year ended 31st March, 2020 or 31st March, 2019.

Movement during the year:

The following table illustrates the number and weighted average exercise price of share options during the year:

Particulars	31 st March, 2020		31 st March, 2019	
	ESOP Scheme 2013	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2016
Options				
Outstanding at the beginning of the year	3,73,729	3,70,000	7,39,729	-
Granted during the year	-	-	-	3,70,000
Exercised during the year	3,20,000	-	3,66,000	-
Outstanding at the end of the year	53,729	3,70,000	3,73,729	3,70,000
Exercisable at the end of the year	53,729	92,500	3,73,729	-
weighted average share price at the exercise date	104.11	-	116.02	-
weighted average remaining contractual life (In years)	0.08	7.39	0.20	8.40

The fair value of the share options is estimated at the grant date using Binomial Model taking into account the terms and conditions upon which the share options are granted and there are no cash settled alternatives for employees. Following table lists the inputs to the models used for the year ending March 31, 2019

Particulars	31 st March, 2020	31 st March, 2019
Risk-free interest rate (%)	-	7.61%
Expected life (years)	-	5.00
Expected volatility	-	49.00%
Dividend yield	-	-
Share price	-	158.05

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

32 Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Financial assets measured at amortised cost				
Investments (Refer Note 4)	143.46	159.44	143.46	159.44
Loans given (Refer Note 5)	605.00	605.00	605.00	605.00
Trade Receivables (Refer Note 6)	101.97	112.60	101.97	112.60
Other financial assets (Refer Note 9)	4,813.13	5,015.56	4,813.13	5,015.56
Cash and cash equivalents (Refer Note 7)	548.72	635.32	548.72	635.32
Other bank balances (Refer Note 8)	4.42	-	4.42	-
Total	6,216.70	6,527.92	6,216.70	6,527.92
Financial liabilities measured at amortised cost				
Borrowings (Refer Note 14)	15,711.06	8,155.77	15,711.06	8,155.77
Trade payables (Refer Note 15)	6,873.37	5,936.50	6,873.37	5,936.50
Other financial liabilities (Refer Note 16)	8,019.84	9,904.65	8,019.84	9,904.65
Total	30,604.27	23,996.92	30,604.27	23,996.92

The management assessed that the fair values of financial assets and financial liabilities approximate their carrying amounts due to the short-term maturities.

33 Fair value measurement hierarchy

The details of fair value measurement hierarchy of company's financial assets/liabilities are as below:

Particulars	Level	31 st March, 2020	31 st March, 2019
Assets disclosed at fair value			
Investments	Level - 2	143.46	159.44
Loans given	Level - 2	605.00	605.00
Trade Receivable	Level - 2	101.97	112.60
Other financial assets	Level - 2	4,813.13	5,015.56
Cash and cash equivalents	Level - 2	548.72	635.32
Other bank balances	Level - 2	4.42	-
Liabilities disclosed at fair value			
Borrowings	Level - 2	15,711.06	8,155.77
Trade payables	Level - 2	6,873.37	5,936.50
Other financial liabilities	Level - 2	8,019.84	9,904.65

There have been no transfers between Level 1 and Level 2 during the period.

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

34 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of the Group seek to maintain a balance between the higher returns that might be possible with higher level of borrowings and advantages of a sound capital position.

The Group monitors capital using a net debt to equity ratio, which is as follows:

1. Equity includes equity share capital and all other equity components attributable to the equity holders.
2. Net debt includes borrowings (non-current and current) less cash and cash equivalents

Particulars	31 st March, 2020	31 st March, 2019
Borrowings	21,808.94	17,009.22
Less: Cash and cash equivalents	548.72	635.32
Net Debt (A)	21,260.22	16,373.90
Equity share capital	3,555.36	3,523.36
Other equity	25,325.72	21,931.05
Total Equity (B)	28,881.08	25,454.41
Net Debt to Equity Ratio (C=A/B)	0.74	0.64

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

35 Financial risk management objectives and policies

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks and ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity/ real-estate risk.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2020 and 31st March, 2019. The sensitivity analysis has been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations/provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2020 and 31st March, 2019.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The Group's exposure to the risk of changes in Interest rates relates primarily to the Group's operating activities (when receivables or payables are subject to different interest rates) and the Group's net receivables or payables.

The Group is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The Group's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The Group is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

Notes to consolidated financial statements for the year ended 31st March, 2020

Interest rate sensitivity

(Amount in INR Lacs unless stated otherwise)

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant for variable rate instruments. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year..

Particulars	Changes in interest rate	Effect of profit before tax
31 st March, 2020	+1%	(167.27)
	-1%	167.27
31 st March, 2019	+1%	(119.01)
	-1%	119.01

2. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The carrying amount of following financial assets represents the maximum credit exposure.

Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore substantially eliminating the company's credit risk in this respect.

The ageing of trade receivables is as follows:

Particulars	31 st March, 2020	31 st March, 2019
More than 6 months	43.80	108.36
Others	58.17	4.24
Total receivables	101.97	112.60

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31st March, 2020 and 31st March, 2019 is the carrying amounts.

3. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The table below summarises the remaining contractual maturities of the Group's financial liabilities at the reporting date.

Particulars	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	Total
Year ended 31st March, 2020					
Borrowings*	-	5,750.59	8,759.79	7,336.06	21,846.44
Trade payables	-	4,047.46	2,825.91	-	6,873.37
Other financial liabilities	1,880.04	-	-	-	1,880.04
	1,880.04	9,798.05	11,585.70	7,336.06	30,599.85
Year ended 31st March, 2019					
Borrowings*	104.78	3,603.82	5,338.69	8,066.71	17,114.00
Trade payables	-	3,062.50	2,873.99	0.01	5,936.50
Other financial liabilities	946.41	-	-	-	946.41
	1,051.19	6,666.32	8,212.68	8,066.72	23,996.91

*Includes current maturities of non-current borrowings and interest accrued but not due on borrowings

Notes to consolidated financial statements for the year ended 31st March, 2020

36 Disclosure in respect interest in joint ventures and subsidiaries

(Amount in INR Lacs unless stated otherwise)

(a) List of subsidiaries

Sr No.	Name of subsidiary	Country of incorporation	Percentage of holding	
			31 st March, 2020	31 st March, 2019
(i) Companies				
1	Arvind Hebbal Homes Pvt. Ltd.	India	100.00%	100.00%
2	Arvind Homes Pvt. Ltd. (incorporated w.e.f. 16 th May, 2019)	India	100.00%	-
(ii) LLPs				
1	ASL Facilities Management LLP	India	100%	100%
2	Arvind Altura LLP	India	100%	100%
3	Changodar Industrial Infrastructure (One) LLP	India	100%	100%
4	Ahmedabad Industrial Infrastructure (One) LLP	India	100%	100%
5	Ahmedabad East Infrastructure LLP (Refer Note)	India	51%	51%
6	Arvind Five Homes LLP	India	100%	100%
7	Arvind Infracon LLP	India	100%	100%
8	Arvind Beyond Five Club LLP	India	100%	100%
9	Yogita Shelters LLP	India	99.79%	99.79%

Note:

In case of LLPs, percentage of holding in the above table denotes the share of capital contribution in the LLP which is the same as the share of profit, except for investment in Ahmedabad East Infrastructure LLP where share of profit of company is 94% and remaining profit is shared among other co-partners namely Sharad Govindbhai Patel, Dinesh Jasraj Jain and Arvind Infrabuild LLP.

Summarised financial information of subsidiaries having material non-controlling interests:

Management has determined that Ahmedabad East Infrastructure LLP (AEILLP) has material non controlling interests. The summarised financial information of AEILLP is provided below. This information is based on amounts before inter-company eliminations.

a. Summarised balance sheet information:

Particulars	31 st March, 2020	31 st March, 2019
Current assets	14,100.56	20,165.33
Non-current assets	7,018.19	7,500.48
Current liabilities	9,188.46	22,113.47
Total equity	11,930.29	5,552.34
Attributable to:		
Equity holders of the parent	10,380.98	4,533.64
Non controlling interests	1,549.31	1,018.70

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

b. Summarised statement of profit and loss information:

Particulars	31 st March, 2020	31 st March, 2019
Revenue	14,515.84	4,502.24
Project development expenses	1,142.34	2,145.05
Depreciation and amortization expense	16.31	18.21
Other expense (including finance cost)	8,580.42	1,041.98
Profit before tax	4,776.76	1,297.00
Tax expenses	1,725.41	448.95
Total comprehensive income	3,051.35	848.05
Attributable to:		
Equity holders of the parent	2,868.27	797.17
Non controlling interests	183.08	50.88

c. Summarised cash flow information:

Particulars	31 st March, 2020	31 st March, 2019
Operating activities	(465.98)	(324.29)
Investing activities	(590.67)	(201.77)
Financing activities	997.12	300.30
Net increase in cash and cash equivalents	(59.53)	(225.76)

37 Investment in joint ventures**(b) List of joint ventures**

Sr No.	Name of joint ventures	Country of incorporation	Percentage of holding	
			31 st March, 2020	31 st March, 2019
(i)	LLPs			
1	Arvind Bsafal Homes LLP*	India	50.00%	50.00%
2	Arvind Integrated Projects LLP	India	50.00%	50.00%

* Profit sharing of Arvind SmartSpaces Limited in Arvind Bsafal Homes LLP is 41% during 31st March, 2020 and 31st March, 2019.

Management has determined its investments in joint ventures are individually immaterial. Aggregate information of the above joint ventures are as follows:

Particulars	31 st March, 2020	31 st March, 2019
Group's share in:		
Net profit/(loss)	(15.99)	(3.52)
Other comprehensive income	-	-
Total comprehensive income	(15.99)	(3.52)
Aggregate carrying value of the investments (Refer Note 4)	143.46	159.44

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

38 Disclosures as per Schedule III of Companies Act, 2013

Name of the Enterprise	2019-20							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated share in profit and loss	Amount	As % of consolidated share in other comprehensive income	Amount	As a % of consolidation comprehensive income	Amount
Parent								
Arvind SmartSpaces Limited	111%	32,241.80	48%	1,937.70	100%	2.00	48%	1,939.70
Subsidiaries								
Arvind Hebbal Homes Pvt. Ltd.	0%	44.01	0%	(1.08)	0%	-	0%	(1.08)
Ahmedabad East Infrastructure LLP	37%	10,614.59	78%	3,051.35	0%	-	78%	3,051.35
Ahmedabad Industrial Infrastructure (One) LLP	2%	608.85	0%	15.78	0%	-	0%	15.78
ASL Facilities Management LLP	0%	23.69	0%	(2.77)	0%	-	0%	(2.77)
Arvind Altura LLP	0%	(0.21)	0%	(0.18)	0%	-	0%	(0.18)
Arvind Beyond Five Club LLP	1%	325.83	0%	(2.04)	0%	-	0%	(2.04)
Arvind Five Homes LLP	9%	2,520.22	-9%	(346.82)	0%	-	-9%	(346.82)
Arvind Infracon LLP	1%	416.78	-4%	(176.14)	0%	-	-4%	(176.14)
Changodar Industrial Infrastructure (One) LLP	0%	0.28	0%	(1.34)	0%	-	0%	(1.34)
Yogita Shelters LLP	6%	1,720.23	-2%	(94.50)	0%	-	-2%	(94.50)
Arvind Homes Private Limited (incorporated w.e.f. 16 th May, 2019)	0%	(37.48)	-1%	(38.48)	0%	-	-1%	(38.48)
Joint Ventures (investment accounted for using equity method)								
Arvind Bsafal Homes LLP	0%	(15.96)	0%	(15.96)	0%	-	0%	(15.96)
Arvind Integrated Projects LLP	0%	(0.03)	0%	(0.03)	0%	-	0%	(0.03)
Non controlling interests								
Ahmedabad East Infrastructure LLP	-5%	(1,549.31)	-5%	(183.08)	0%	-	-5%	(183.08)
Yogita Shelters LLP	0%	(27.32)	0%	-	0%	-	0%	-
Intercompany elimination	-62%	(18,004.90)	-5%	(211.41)	0%	-	-5%	(211.41)
Total	100%	28,881.08	100%	3,931.00	100%	2.00	100%	3,933.00

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

Name of Entities	2018-19							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated share in profit and loss	Amount	As % of consolidated share in other comprehensive income	Amount	As a % of consolidation comprehensive income	Amount
Parent								
Arvind SmartSpaces Limited	121%	30,811.27	150%	4,603.21	100%	(2.85)	150%	4,600.36
Subsidiaries								
Arvind Hebbal Homes Pvt. Ltd.	0%	45.08	0%	(0.98)	0%	-	0%	(0.98)
Ahmedabad East Infrastructure LLP	22%	5,668.72	28%	848.04	0%	-	28%	848.04
Ahmedabad Industrial Infrastructure (One) LLP	3%	789.72	0%	(4.34)	0%	-	0%	(4.34)
ASL Facilities Management LLP	0%	26.46	0%	0.09	0%	-	0%	0.09
Arvind Altura LLP	0%	(0.03)	0%	(0.20)	0%	-	0%	(0.20)
Arvind Beyond Five Club LLP	1%	327.87	0%	(0.69)	0%	-	0%	(0.69)
Arvind Five Homes LLP	10%	2,517.92	-9%	(264.94)	0%	-	-9%	(264.94)
Arvind Infracon LLP	29%	7,265.99	-9%	(270.57)	0%	-	-9%	(270.57)
Changodar Industrial Infrastructure (One) LLP	0%	0.62	0%	(2.71)	0%	-	0%	(2.71)
Yogita Shelters LLP	6%	1,537.57	-4%	(120.42)	0%	-	-4%	(120.42)
Joint Venture (investment as per equity method)								
Arvind Bsafal Homes LLP	0%	(3.40)	0%	(3.40)	0%	-	0%	(3.40)
Arvind Integrated Projects LLP	0%	(0.12)	0%	(0.12)	0%	-	0%	(0.12)
Non controlling interests								
Ahmedabad East Infrastructure LLP	-4%	(1,018.70)	-2%	(50.88)	0%	-	-2%	(50.88)
Yogita Shelters LLP	0%	(27.32)	0%	-	0%	-	0%	-
Intercompany elimination	-88%	(22,487.24)	-54%	(1,665.09)	0%	-	-54%	(1,665.09)
Total	100%	25,454.41	100%	3,067.00	100%	(2.85)	100%	3,064.15

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

39 Related party transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Group are as follows :

A. Name of related parties and nature of relationship :

Entity name	Relationship
Mr. Sanjay Lalbhai	Chairman & Non-Executive Director
Mr. Kamal Singal	Managing Director and Chief Executive Officer- Key Managerial Personnel
Mr. Kulin Lalbhai	Non-Executive Director
Mr. Prem Prakash Pangotra	Non-Executive Director
Mr. Pratul Shroff	Non-Executive Director
Ms. Indira Parikh	Non-Executive Director upto 31st March, 2019
Ms. Pallavi Vyas	Non-Executive Director with effect from 5th August, 2019
Mr. Nirav Kalyanbhai Shah	Non-Executive Director
Mr. Mehul Shah	Chief Financial Officer - Key Managerial Personnel
Mr. Prakash Makwana	Company Secretary - Key Managerial Personnel
Mrs. Divya M. Shah	Relative of Key Managerial Personnel
Mr. Dinesh Jasraj Jain	Land Managing Partner
Mr. Sharad Govindbhai Patel	Land Managing Partner
Mrs. Kavita Dinesh Jain	Relative of Land Managing Partner
Mr. Neel Dinesh Jain	Relative of Land Managing Partner
Mrs. Rashmi Sharadbhai Patel	Relative of Land Managing Partner
Mr. Jignesh Govindbhai Patel	Relative of Land Managing Partner
Aura Securities Private limited	Entity Exercising significant influence in the group (Upto 1st June, 2018)
Aura Securities Private limited	Holding Company (With effect from 2nd June, 2018)
Aura Business Ventures LLP	Enterprise having significant influence
Arvind Lifestyle brands Ltd	Enterprise having significant influence by Key Management Personnel
Arvind Infrabuild LLP	Company under common control of Key Managerial Personnel
Arvind and Smartvalue Homes LLP	Enterprise having significant influence by Key Management Personnel
Safal Homes LLP	Co-venturer in Joint venture
Arvind Limited	Enterprise having significant influence by Key Management Personnel

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

B. Disclosure in respect of total amount of transactions that have been entered into with related parties :

Particulars	31 st March, 2020	31 st March, 2019
Remuneration		
Mr. Kamal Singal	322.99	322.57
Mr. Mehul Shah	36.60	39.31
Mr. Prakash Makwana	29.45	28.55
Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	721.53	1,671.39
Director's Sitting Fees & Commission		
Mr. Prem Prakash Pangotra	6.90	6.80
Mr. Pratul Shroff	5.80	5.80
Ms. Indira Parikh	-	5.90
Ms. Pallavi Vyas	4.60	-
Mr. Nirav Kalyanbhai Shah	6.10	5.90
Revenue from operations		
Mr. Kamal Singal	278.83	-
Mrs. Divya Mehul Shah	41.55	-
Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	690.03	1,745.57
Aura Business Ventures LLP	144.08	570.27
Project Management Consultancy Income		
Arvind Limited	93.71	-
Expenses incurred		
Arvind Lifestyle Brands Ltd	8.70	4.50
Partner's contribution received		
Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	721.53	1,671.39
Partner's contribution paid		
Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	275.00	2,339.47
Arvind Infrabuild LLP	99.01	33.00
Share of profit		
Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	61.03	35.32
Reimbursement of expenses received (Net)		
Arvind Limited	30.55	29.95
Purchase of materials		
Arvind Limited	3.75	37.67
Rent and Professional charges paid		
Arvind Limited	11.33	-
Land purchased		
Mr. Jignesh Govindbhai Patel	37.05	-
Sale of Asset		
Arvind Limited	13.57	-
Preferential allotment of equity shares		
Aura Securities Pvt. Ltd.	-	4,984.00

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

Particulars	31 st March, 2020	31 st March, 2019
Money received against share warrants		
Aura Securities Pvt. Ltd.	-	534.00
Receipts from customers		
Mr. Kamal Singal	129.81	77.47
Mrs. Divya Mehul Shah	44.61	-
Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	346.83	2,030.52
Aura Business Ventures LLP	87.24	86.44
Exercise of share options under ESOS / ESOP		
Mr. Kamal Singal	113.44	124.16

C. Disclosure in respect of outstanding balance:

Particulars	31 st March, 2020	31 st March, 2019
Advance for Land		
Others - Relatives of Land managing partners	1.09	1.09
Loans Given		
Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	3,369.46	3,369.46
Trade Receivable		
Aura Business Ventures LLP	-	43.35
Mr. Kamal Singal	-	0.04
Arvind Limited	32.64	-
Capital Contributions (Initial and Additional)		
Arvind Bsafal Homes LLP	143.26	159.16
Arvind Integrated Projects LLP	0.28	0.28
Trade payables		
Mr. Jignesh Govindbhai Patel	87.03	49.98
Arvind Limited	1,217.72	1,213.76
Mr. Prem Prakash Pangotra	4.50	4.50
Mr. Pratul Shroff	4.50	4.50
Ms. Indira Parikh	-	4.50
Ms. Pallavi Vyas	3.60	-
Mr. Nirav Kalyanbhai Shah	4.50	4.50
Mr. Kamal Singal	131.73	130.46
Mr. Mehul Shah	2.59	-
Mr. Prakash Makwana	2.10	-
Advance to suppliers		
Arvind Limited	27.67	23.01
Advance from customers		
Mr. Kamal Singal	-	139.85
Aura Business Ventures LLP	-	137.08
Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	557.00	983.00

D. Terms and conditions of transactions with related parties :

- Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any provision/ write-off of receivables relating to amounts owed by related parties.
- In respect of the transactions with the related parties, the Group has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.

Notes to consolidated financial statements for the year ended 31st March, 2020

(Amount in INR Lacs unless stated otherwise)

E. Commitments with related parties :

The Group has not provided any commitment to the related party as at 31st March, 2020 (31st March, 2019: ₹.Nil)

F. Transactions with key management personnel :

Compensation of key management personnel of the Group:

Particulars	31 st March, 2020	31 st March, 2019
Short-term employee benefits	389.04	390.43
Total compensation paid to key management personnel	389.04	390.43

The Group creates provision for post-employment gratuity benefits based on actuarial valuation of such liability. Such an actuarial valuation is carried out on a company-level and not an individual level. Hence, expenses incurred on key management personnel during the year to this extent is not identifiable and has thus not been disclosed.

40 Disclosures for Ind AS 115**Revenue from contracts with customers:**

The Group has adopted Ind AS 115 using the modified retrospective method and accordingly has provided the disclosures required by Ind AS 115 for the year ended March 31, 2020 and the comparative information has not been disclosed. Also refer note 19.

1 Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers, which is in agreement with the contracted price.

Particulars	Note	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Revenue from contracts with customers			
Commercial and residential units	19	29,798.33	26,014.40
Transferrable development rights	19	-	127.62
		29,798.33	26,142.02
Other operating revenue			
Plot cancellation and transfer fees	19	36.36	31.29
Miscellaneous	19	114.50	35.20
		150.86	66.49
		29,949.19	26,208.51

2 Contract balances

Particulars	Note	As on 31 st March, 2020	As on 31 st March, 2019
Trade and other receivables	6	101.97	112.60
Contract liabilities	18	18,239.28	26,482.79

Contract liabilities include advances received from customers as well as deferred revenue representing transaction price allocated to unsatisfied performance obligations. The decrease in contract liabilities majorly pertains to revenue recognition pertaining to projects / Units in which BU's were received.

Particulars	31 st March, 2020	31 st March, 2019
• Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year.	17,841.60	20,400.67
• Revenue recognised in the reporting period from performance obligations satisfied in previous periods.	-	-

Notes to consolidated financial statements for the year ended 31st March, 2020

3 Performance obligations

(Amount in INR Lacs unless stated otherwise)

Particulars	31 st March, 2020	31 st March, 2019
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the current year**		
Revenue to be recognised at a point in time	23,498.13	47,370.44

** The Group expects to satisfy the performance obligations when (or as) the underlying real estate projects to which such performance obligations relate are completed. Such real estate projects are in various stages of development and are expected to be completed in the coming periods of upto four years.

41 The COVID-19 pandemic has disrupted various business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Group were impacted briefly, due to shutdown of sites and offices following nationwide lockdown. The Group continues with its operations in a phased manner in line with directives from the authorities.

The Group has made detailed assessment of its liquidity positions and business operations for next year and its possible effect on the carrying value of assets. The Group does not expect significant impact on its operations and recoverability of value of its assets based on current indicators of future economic conditions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic condition and its impact, if any.

42 On March 30, 2019 MCA notified Ind AS 116 'Leases' and it replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all the leases under a single on balance sheet model similar to the accounting for finance leases under Ind AS 17. The company has adopted Ind AS-116, effective from April 01, 2019 using modified retrospective approach and accordingly, the comparatives have not been restated. The adoption of this standard does not have any material impact on the current year's financial statements. The Company also has entered in to Lease Rent agreement for office premises with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for this lease. The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation. Lease payment recognised in the Statement of Profit and Loss for the year amounting to ₹ 22.36 Lacs (31 March 2019: ₹ 20.42 Lacs).

43 The figures for the previous year have been regrouped/reclassified wherever necessary to confirm with the current year's classification.

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 25th June, 2020

**For and on Behalf of Board of Directors of
Arvind SmartSpaces Limited**

CIN : L45201GJ2008PLC055771

Sanjay S. Lalbhai (DIN-00008329)

Chairman

Kamal Singal (DIN-02524196)

MD & CEO

Mehul Shah

Chief Financial Officer

Prakash Makwana

Company Secretary

Place : Ahmedabad

Date : 25th June, 2020

Statement Containing Salient Features of the Financial Statement of Subsidiaries or Associate Companies or Joint Ventures

(₹ in Lacs)

Part "A" : Subsidiaries

Sr. No.	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital /Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Share Holding /Capital contribution
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1.	Arvind Hebbal Homes Private Limited	31 st March, 2020	INR	1.00	43.01	7044.92	7000.91	0.07	-	(1.08)	-	(1.08)	Nil	100
2.	Arvind Homes Private Limited	31 st March, 2020	INR	1.00	(38.48)	2.66	40.15	-	-	(38.48)	-	(38.48)	Nil	100
3.	Arvind Infracore LLP	31 st March, 2020	INR	1.00	(463.26)	13204.40	13666.66	-	-	(176.12)	0.02	(176.14)	Nil	100
4.	Arvind Five Homes LLP	31 st March, 2020	INR	1.00	(686.71)	6248.26	3728.04	-	-	(346.82)	-	(346.82)	Nil	100
5.	Changodar Industrial Infrastructure (one) LLP	31 st March, 2020	INR	1.00	(5.01)	0.47	4.48	-	-	(1.34)	-	(1.34)	Nil	100
6.	Arvind Beyond Five Club LLP	31 st March, 2020	INR	1.00	(5.02)	904.53	578.70	-	-	(2.04)	-	(2.04)	Nil	100
7.	Arvind Altura LLP	31 st March, 2020	INR	1.00	(1.35)	0.14	0.50	-	-	(0.18)	-	(0.18)	Nil	100
8.	ASL Facilities Management LLP (formerly Arvind Alcove LLP)	31 st March, 2020	INR	1.00	(2.84)	25.06	26.90	-	-	(2.77)	-	(2.77)	Nil	100
9.	Ahmedabad Industrial Infrastructure (one) LLP	31 st March, 2020	INR	1.00	88.38	1842.74	1233.89	-	501.47	47.82	32.05	15.77	Nil	100
10.	Ahmedabad East Infrastructure LLP	31 st March, 2020	INR	1.00	0.00	18231.31	18230.31	-	3584.72	206.66	129.82	76.84	Nil	51
11.	Yogita Shelters LLP	31 st March, 2020	INR	1404.10	(213.66)	2212.76	1022.32	-	-	(94.48)	(0.02)	(94.50)	Nil	99.79

Notes The following information shall be furnished at the end of the statement:

- Name of subsidiary which are yet to commence the operations -Arvind Altura LLP
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B" : Joint Venture

Sr. No.	Particulars	Arvind Bsfal Homes LLP	Arvind Integrated Projects LLP
1	Latest Audited Balance Sheet Date	31.03.2020	31.03.2020
2	Shares of Joint Ventures held by the Company on the year end		
	i) Number	Not Applicable	Not Applicable
	ii) Amount of Investment in Joint Ventures	0.50	0.50
	iii) Extend of Holding %	Capital Contribution Ratio : 50%	Capital Contribution Ratio : 50%
3	Description of how there is significant influence	LLP Agreement allows the Company to exercise significant influence in the operating and financial decision making	LLP Agreement allows the Company to exercise significant influence in the operating and financial decision making
4	Reason why the joint venture is not consolidated	Not Applicable as accounts are consolidated	Not Applicable as accounts are consolidated
5	Net worth attributable to shareholding as per latest Audited Balance sheet	107.55	0.26
6	Profit/(Loss) for the year	(15.96)	(0.03)
	i) Considered in Consolidation	(23.02)	(0.03)
	ii) Not Considered in Consolidation		

For and on behalf of the board of directors of Arvind Limited

Sanjay S. Lalbhai

Director

Ahmedabad

25th June, 2020

Kamal Singal

MD & CEO

Ahmedabad

25th June, 2020

Mehul Shah

Chief Financial Officer

Ahmedabad

25th June, 2020

Prakash Makwana

Company Secretary

Ahmedabad

25th June, 2020

OUR MAJOR DEVELOPMENT

AHMEDABAD

BENGALURU

PUNE



ARVIND SMARTSPACES

Arvind SmartSpaces,
24, Government Servant's Society,
Nr. Municipal Market, Off C.G. Road,
Navrangpura, Ahmedabad - 380009.

www.arvindsmartspace.com

