

## **Independent Auditor's Report to the members of Shouri Properties Private Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Shouri Properties Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon. The Board's Report, including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

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

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

## **Independent auditor's report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31 March 2020 (continued)**

When we read the Board's Report, including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per the applicable laws and regulations.

### **Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

**Independent auditor's report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31 March 2020 (continued)**

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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.

**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 section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

**Independent auditor's report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31 March 2020 (continued)**

- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement;
  - 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 Patankar & Associates  
Chartered Accountants  
Firm's Registration No. 107628W

Place: Pune  
Date: 04 June 2020

S S Agrawal  
Partner  
Membership No. 049051  
UDIN: 20049051AAAAAN9239

**Annexure I to Independent auditor's report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31 March 2020 - referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company does not have any fixed assets and hence the provisions of clause 3(i) of the Order are not applicable to the Company.
2. The Company does not have any inventories and hence the provisions of clause 3(ii) of the Order are not applicable to the Company.
3. The Company has not granted any loan, 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 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. The Company has complied with the provisions of section 186 of the Act in respect of investments made. The Company has not granted any loans or provided any security or guarantees covered to the parties covered under section 185 and section 186 of the Act.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company and hence the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of income-tax, Goods and service tax and other material statutory dues applicable to it. No payments were due in respect of Goods and service tax. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31 March 2020 for a period of more than six months from the date they become payable.

There are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of disputes.

8. The Company does not have any borrowings from financial institutions or bank or Government or by way of debentures and hence the provisions of clause 3(viii) of the Order are not applicable to the Company.

**Annexure I to Independent auditor's report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31 March 2020 (continued)**

9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration and hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. 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 the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Patankar & Associates  
Chartered Accountants  
Firm's Registration No. 107628W

S S Agrawal  
Partner  
Membership No. 049051  
UDIN: 20049051AAAAAN9239

Place: Pune  
Date: 04 June 2020

**Annexure II to Independent auditor's report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31 March 2020 - referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date**

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

We have audited the internal financial controls with reference to financial statements of **Shouri Properties Private Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the 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 controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 Company's internal financial controls system with reference to financial statements.

**Annexure II to Independent auditor's report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31 March 2020 - referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date (continued)**

**Meaning of Internal Financial Controls with reference to Financial Statements**

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Patankar & Associates,  
Chartered Accountants  
Firm's Registration No. 107628W

Place: Pune  
Date: 04 June 2020

S S Agrawal  
Partner  
Membership No. 049051  
UDIN: 20049051AAAAAN9239



**Shouri Properties Private Limited**  
**Balance Sheet as at 31 March 2020**

(Rs. in Lakhs)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Financial assets			
(i) Loans	5	55.82	51.44
(i) Other Financial assets	7	1,343.11	-
(b) Income tax assets (net)	6	8.89	38.71
(c) Other non-current assets	8	22.07	58.84
<b>Total non - current assets</b>		<b>1,429.89</b>	<b>148.99</b>
<b>2 Current assets</b>			
(a) Financial assets			
(i) Other Investments	9	29.77	8.39
(ii) Trade receivables	10	31.71	29.57
(iii) Cash and cash equivalents	11	41.21	11.35
(iv) Other Financial assets	7	94.99	-
(b) Other current assets	8	5.58	10.08
<b>Total current assets</b>		<b>203.26</b>	<b>59.39</b>
<b>Total assets (1+2)</b>		<b>1,633.15</b>	<b>208.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	12	141.00	141.00
(b) Other Equity	13	(55.11)	(60.86)
<b>Total equity</b>		<b>85.89</b>	<b>80.14</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other financial liabilities	14	1,398.93	51.44
(b) Other non-current liabilities	15	-	36.77
<b>Total non-current liabilities</b>		<b>1,398.93</b>	<b>88.21</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
a. total outstanding dues of micro enterprises and small enterprises	16	-	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises	16	48.23	28.80
(ii) Other financial liabilities	14	94.99	-
(b) Other current liabilities	17	5.11	11.23
<b>Total current liabilities</b>		<b>148.33</b>	<b>40.03</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>1,633.15</b>	<b>208.38</b>

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

As per our report of even date attached  
**For Patankar & Associates**  
Chartered Accountants  
Firm's Registration No. 107628W

**For and on behalf of the Board of Directors  
of Shouri Properties Private Limited**

**S. S. Agrawal**  
Partner  
Mem No. 049051

**Alok Tandon**  
Director  
DIN - 01746839

**Upen Shah**  
Director  
DIN - 03388861

Place: Pune  
Date: 04 June 2020

Place: Mumbai  
Date: 04 June 2020

**Shouri Properties Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2020**

(Rs. in Lakhs)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	18	111.75	354.12
Other income	19	138.17	5.18
<b>Total Income</b>		<b>249.92</b>	<b>359.30</b>
<b>Expenses</b>			
Finance costs	20	134.28	3.88
Other expenses	21	109.89	351.83
<b>Total expenses</b>		<b>244.17</b>	<b>355.71</b>
<b>Profit before tax</b>		<b>5.75</b>	<b>3.59</b>
Tax expense:	22		
Current tax		-	0.70
<b>Profit for the year</b>		<b>5.75</b>	<b>2.89</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year (comprising profit and other comprehensive income for the year)</b>		<b>5.75</b>	<b>2.89</b>
Basic and diluted earnings per equity share of Rs. 10 each (in Rs.)	28	0.41	0.20

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

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

**For and on behalf of the Board of Directors  
of Shouri Properties Private Limited**

**S. S. Agrawal**

Partner

Mem No. 049051

Place: Pune

Date: 04 June 2020

**Alok Tandon**

Director

DIN - 01746839

Place: Mumbai

Date: 04 June 2020

**Upen Shah**

Director

DIN - 03388861

**Shouri Properties Private Limited**  
**Statement of Cash Flows for the year ended 31 March 2020**

(Rs. in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flows from operating activities</b>		
Profit for the year after tax	<b>5.75</b>	<b>2.89</b>
Adjustments for:		
Income tax expense	-	0.70
Interest expense recognised in profit or loss	134.28	3.88
Net gain on financial assets measured at FVTPL	(1.38)	(1.30)
Notional Interest income recognized in profit or loss	(134.16)	(3.88)
	<b>4.49</b>	<b>2.29</b>
Movements in working capital:		
(Increase)/decrease in trade receivables	(2.14)	23.30
(Increase)/decrease in other assets	41.28	3.70
Increase/(decrease) in trade payables	19.43	(39.06)
Increase/(decrease) in other liabilities	(42.89)	(5.20)
<b>Cash generated from operations</b>	<b>20.17</b>	<b>(14.98)</b>
Income taxes paid (net)	29.81	(10.07)
<b>Net cash generated from/(used in) operating activities</b>	<b>49.98</b>	<b>(25.05)</b>
<b>Cash flows from investing activities</b>		
Payments received against Finance lease assets	216.47	-
Purchase of current investments	(20.00)	-
Sale/redemption of current investments	-	25.01
<b>Net cash generated from investing activities</b>	<b>196.47</b>	<b>25.01</b>
<b>Cash flows from financing activities</b>		
Payment of lease liability	(216.47)	-
Finance costs	(0.12)	-
<b>Net cash used in financing activities</b>	<b>(216.59)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>29.86</b>	<b>(0.05)</b>
Cash and cash equivalents at the beginning of the year	11.35	11.39
<b>Cash and cash equivalents at the end of the year</b>	<b>41.21</b>	<b>11.35</b>

Notes:

1. The above statement of Cash Flows has been prepared under the Indirect method.
2. Components of cash and cash equivalents are as per Note 11.
3. The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

**For and on behalf of the Board of Directors  
of Shouri Properties Private Limited**

**S. S. Agrawal**

Partner

Mem No. 049051

**Alok Tandon**

Director

DIN - 01746839

**Upen Shah**

Director

DIN - 03388861

Place: Pune

Date: 04 June 2020

Place: Mumbai

Date: 04 June 2020

**Shouri Properties Private Limited**  
**Statement of Changes in Equity for the year ended 31 March 2020**

**A. Equity Share Capital**

(Rs. in Lakhs)

Balance at the beginning of the year	Changes in equity share capital during the year	Balance as at end of the Year
141.00	-	141.00

**B. Other Equity**

(Rs. in Lakhs)

Particulars	Retained Earnings	Total
<b>Balance as at 1 April 2018</b>	(63.75)	(63.75)
Profit for the year	2.89	2.89
<b>Total comprehensive income for the year</b>	<b>2.89</b>	<b>2.89</b>
<b>Balance as at 31 March 2019</b>	(60.86)	(60.86)
Profit for the year	5.75	5.75
<b>Total comprehensive income for the year</b>	<b>5.75</b>	<b>5.75</b>
<b>Balance as at 31 March 2020</b>	<b>(55.11)</b>	<b>(55.11)</b>

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

As per our report of even date attached

**For Patankar & Associates**  
Chartered Accountants  
Firm's Registration No. 107628W

**For and on behalf of the Board of Directors  
of Shouri Properties Private Limited**

**S. S. Agrawal**  
Partner  
Mem No. 049051

**Alok Tandon**  
Director  
DIN - 01746839

**Upen Shah**  
Director  
DIN - 03388861

Place: Pune  
Date: 04 June 2020

Place: Mumbai  
Date: 04 June 2020

# **Shouri Properties Private Limited**

## **Notes to the financial statements for the year ended 31 March 2020**

### **1 General Information**

Shouri Properties Private Limited ('SPPL' or the 'Company') holds a license to operate a multiplex cinema theatre and is incorporated and domiciled in India. The Company has taken one multiplex cinema theatre on lease and sub-leased the same to its holding company. The Company is a subsidiary of Inox Leisure Limited which is a subsidiary of GFL Limited (earlier Known as Gujarat Fluorochemicals Limited) and its ultimate holding company is Inox Leasing and Finance Limited.

The Company's registered office is located at 5<sup>th</sup> Floor, Viraj Towers, Western Express Highway, Andheri (East) 400093.

### **2 Statement of compliance and basis of preparation and presentation**

#### **2.1 Statement of Compliance**

These financial statements of the Company comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. Accounting policies have been consistently applied except where a newly issued accounting standards initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

These financial statements for the year ended 31 March 2020 are approved for issue by the Board of Directors at its meeting held on 4 June 2020.

#### **2.2 Basis of preparation, presentation and measurement:**

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

These financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

**Shouri Properties Private Limited**  
**Notes to the financial statements for the year ended 31 March 2020**

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products or services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

### **2.3 New accounting standards and recent accounting pronouncements**

#### **a. Standard issued and effective during the year**

##### **New accounting standard Ind AS 116: Leases:**

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 "Leases", which is effective for accounting periods beginning on or after 1 April, 2019. Ind AS 116 supersedes the earlier Ind AS 17: Leases. The Company has transitioned to Ind AS 116 with effect from 1 April, 2019 using 'modified retrospective approach'. See Note 3.1 below for the new accounting policy on adoption to Ind AS 116 and Note 25 for further details.

#### **b. New accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which is applicable from April 1, 2020.

### **3 Significant Accounting Policies**

#### **3.1 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The company as a lessor:**

The Company classifies the sublease as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. At the date of initial application, the Company reassesses ongoing subleases that were classified as operating leases under Ind AS 17 to determine whether each sublease should be classified as an operating lease or a finance lease under Ind AS 116. This assessment is made on the basis of the remaining contractual terms and conditions of the head lease and sublease. For subleases classified as operating leases under Ind AS 17 but finance leases under Ind AS 116, the Company accounts for the sublease as a new finance lease entered into at the date of initial application and derecognise the right-of-use asset under the head lease which it transfers to the sub lessee and recognises a receivable at an amount equal to

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the net investment in the lease which is the present value of the aggregate of lease rentals receivable by the Company and any unguaranteed residual value, recognise the difference between the right-of-use asset and the net investment as a gain or loss and continue to recognise the lease liability under the head lease.

**Company as a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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, company's incremental borrowing rate.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Variable lease payments that are not included in the measurement of lease liabilities is charged as expense in the statement of profit and loss under the head 'rent and common facility charges'. Rent concessions that are not assessed as lease modification are recognised in the statement of profit and loss.

**3.2 Other Income**

Interest income from a financial asset is recognized on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

**3.3 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

**3.4 Taxation**

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

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Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Presentation of current and deferred tax:

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

**3.5 Provisions and contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.



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The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of 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.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond 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. 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 its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

### **3.6 Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

#### **A] Financial assets**

##### **a) Initial recognition and measurement:**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction costs are recognized in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

##### **b) Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

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**c) Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

**i. Financial assets measured at amortized cost:**

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) 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.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

**ii. Financial assets measured at FVTOCI:**

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) 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.

Investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

The Company does not have any financial assets in this category.

**iii. Financial assets measured at FVTPL:**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

**d) Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

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- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

**e) Impairment of financial assets:**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected

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life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the Statement of Profit and Loss under the head 'Other expenses'/ 'Other income'.

**B] Financial liabilities and equity instruments**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**i. Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**ii. Financial Liabilities:**

**a) Initial recognition and measurement:**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

**b) Subsequent measurement:**

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

**c) Derecognition of financial liabilities:**

A financial liability is derecognized 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 between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

**3.7 Earnings Per Share**

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

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

**4 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of Company's financial statements requires management to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

Following are the critical judgements that have the most significant effects on the amounts recognized in these financial statements:

**a) Fair value measurements and valuation processes**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility

**b) Recognition and measurement of provisions and contingencies:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**c) Income taxes**

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc.

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**Notes to the financial statements for the year ended 31 March 2020**

**5: Loans**

(Rs. in Lakhs)

Particulars (unsecured, considered good)	As at	
	31 March 2020	31 March 2019
<b>Non-current</b>		
Security deposits	55.82	51.44
<b>Total</b>	<b>55.82</b>	<b>51.44</b>

The above financial assets are measured at amortised cost

**Notes:**

Non-current security deposits includes deposit given to a private company in which director of the Company is a director. 104.21 104.21

Carrying amount of security deposits whose contractual cash flow characteristics have been assessed based on the facts and circumstances that existed at the date of transition to Ind AS. 41.97 38.77

**6: Income tax assets (net):**

(Rs. in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non current	Current	Non current
<b>Tax assets (net)</b>				
Income tax paid (net of provisions)	-	8.89	-	38.71
<b>Total</b>	<b>-</b>	<b>8.89</b>	<b>-</b>	<b>38.71</b>

**Shouri Properties Private Limited**  
**Notes to the financial statements for the year ended 31 March 2020**

**7: Other Financial assets**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Finance lease receivable (see Note 25)	1,438.10	-
Less: Current portion of Finance Lease Receivable	(94.99)	
<b>Total</b>	<b>1,343.11</b>	<b>-</b>

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Finance lease receivable (see Note 25)	94.99	-
<b>Total</b>	<b>94.99</b>	<b>-</b>

The above financial assets are measured at amortised cost

**8: Other non-current and current assets**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Deferred lease rent expense (*)	-	41.37
Less: Current portion of deferred lease rent expense	-	(4.60)
	-	36.77
Service tax - disputed amount paid	22.07	22.07
<b>Total</b>	<b>22.07</b>	<b>58.84</b>

(\*) Reclassified to right-of-use assets on transition to Ind AS 116 (see Note 25)

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Balances with government authorities- GST	5.58	5.48
Deferred lease rent expense (*)	-	4.60
<b>Total</b>	<b>5.58</b>	<b>10.08</b>

(\*) Reclassified to right-of-use assets on transition to Ind AS 116 (see Note 25)

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**9: Other investments**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
<b>Unquoted investments (all fully paid)</b>		
<b>Financial assets measured at FVTPL</b>		
<b>Investments in mutual funds</b>		
ICICI Prudential Liquid Plan-Growth-Regular Plan -10,176.59 units (31 March 2019: 3,046.374 units) (face value Rs. 100)	29.77	8.39
<b>Total</b>	<b>29.77</b>	<b>8.39</b>
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	29.77	8.39
Aggregate amount of impairment in value of investments	-	-

Category-wise other investments - as per Ind AS 109 classification	As at 31 March 2020	As at 31 March 2019
<b>Financial assets carried at FVTPL</b>		
Mandatorily measured at FVTPL - Investments in Mutual Funds	29.77	8.39
	<b>29.77</b>	<b>8.39</b>

**10: Trade receivables**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Unsecured, considered good	31.71	29.57
<b>Total</b>	<b>31.71</b>	<b>29.57</b>

**11: Cash and cash equivalents**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks - in current accounts	41.21	11.35
<b>Total</b>	<b>41.21</b>	<b>11.35</b>



**Shouri Properties Private Limited**  
**Notes to the financial statements for the year ended 31 March 2020**

**12: Share Capital**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorized Capital</b> 16,00,000 equity shares (as at 31 March 2019: 16,00,000) of Rs. 10 each	160.00	160.00
<b>Issued, Subscribed and Fully Paid up</b> 14,10,000 equity shares (as at 31 March 2019: 14,10,000) of Rs. 10 each	141.00	141.00
	<b>141.00</b>	<b>141.00</b>

**a) Terms/ rights attached to Equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion to their shareholding.

**b) Equity shares held by holding company**

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
Inox Leisure Limited	14,00,000	140.00	14,00,000	14,00,000

**c) The details of shareholders holding more than 5% shares set out below :-**

Name of the Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Inox Leisure Limited	14,00,000	99.29%	14,00,000	99.29%

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**Notes to the financial statements for the year ended 31 March 2020**

**13: Other Equity**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Retained Earnings	(55.11)	(60.86)
<b>Total</b>	<b>(55.11)</b>	<b>(60.86)</b>

**Retained earnings**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	(60.86)	(63.75)
Profit for the year	5.75	2.89
<b>Balance as at end of the year</b>	<b>(55.11)</b>	<b>(60.86)</b>

**14: Other financial liabilities**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-Current</b>		
Lease Liability (see Note 25)	1,438.10	-
Less: Current portion of Lease Liabilities	(94.99)	-
	1,343.11	-
Security deposit	55.82	51.44
<b>Total</b>	<b>1,398.93</b>	<b>51.44</b>

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Lease Liability (see Note 25)	94.99	-
<b>Total</b>	<b>94.99</b>	<b>-</b>

**15: Other non-current liabilities**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred rent income (*)	-	41.37
Less: Current portion of deferred rent income	-	(4.60)
<b>Total</b>	<b>-</b>	<b>36.77</b>

(\*) Reclassified to right-of-use assets on transition to Ind AS 116 (see Note 25)

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**Notes to the financial statements for the year ended 31 March 2020**

**16: Trade Payables**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Trade payables</b>		
- Dues to micro, small and medium enterprises	-	-
- Dues to others	48.23	28.80
<b>Total</b>	<b>48.23</b>	<b>28.80</b>

There is no amount due to “Micro or Small Enterprises” under Micro, Small and Medium Enterprises Act, 2006. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company.

**17: Other Current Liabilities**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred rent Income (*)	-	4.60
Statutory dues		
- taxes payable (other than income taxes)	5.11	6.63
<b>Total</b>	<b>5.11</b>	<b>11.23</b>

(\*) Reclassified to right-of-use assets on transition to Ind AS 116 (see Note 25)

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**Notes to the financial statements for the year ended 31 March 2020**

**18: Revenue from operations**

(Rs. in Lakhs)

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Sale of services: Conducting fees received	111.75	354.12
<b>Total</b>	<b>111.75</b>	<b>354.12</b>

**19: Other Income**

(Rs. in Lakhs)

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
<b>A) Interest Income</b>		
<b>Interest income calculated using the effective interest method:</b>		
on security deposits	4.38	3.88
on finance lease receivable (see Note 25)	129.78	-
	134.16	3.88
<b>Other interest income</b>		
Interest on income tax refund	2.63	-
	<b>2.63</b>	-
<b>B) Net gain on financial assets measured at FVTPL</b>		
Mutual funds	1.38	1.30
<b>Total</b>	<b>138.17</b>	<b>5.18</b>

Note: Realised gain in respect of mutual fund

Nil

2.3

**Shouri Properties Private Limited**  
**Notes to the financial statements for the year ended 31 March 2020**

**20: Finance costs**

(Rs. in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Interest on financial liabilities carried at amortized cost on security deposits	4.38	3.88
b) Interest on lease liability (see Note 25)	129.78	-
c) Interest on others	0.12	-
<b>Total</b>	<b>134.28</b>	<b>3.88</b>

**21: Other expenses**

(Rs. in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rent	108.36	350.54
Rates and taxes	-	0.15
Legal and other professional fees and expenses	1.52	1.11
Miscellaneous expenses	0.01	0.03
<b>Total</b>	<b>109.89</b>	<b>351.83</b>

(Rs. in Lakhs)

Legal and other professional fees and expenses includes:	Year ended 31 March 2020	Year ended 31 March 2019
<b>Payments to auditors:</b>		
- Statutory audit fees	0.50	0.50
- Tax audit fees	0.25	0.25
- Certification fees	0.10	0.20
- Taxation matters	-	0.10
<b>Total</b>	<b>0.85</b>	<b>1.05</b>

Note: The above amounts are exclusive of GST.

**Shouri Properties Private Limited**

**Notes to the financial statements for the year ended 31 March 2020**

**22. Income tax recognized in profit or loss**

(Rs. in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Current tax</b>		
In respect of the current year	-	0.70
<b>Total income tax expense recognized in the current year</b>	<b>-</b>	<b>0.70</b>

**a. The income tax expense for the year can be reconciled to the accounting profit as follows:**

(Rs. in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	5.75	3.59
Income tax expense calculated @ 25.17% (2018-19: 26%)	1.45	0.93
Effect of unrecognized tax losses utilized during the year	(1.10)	(0.60)
MAT credit entitlement for the year not recognized	-	0.09
Effect of notional Income	(0.35)	(0.34)
Effect of Tax rate on capital gain	-	0.62
<b>Income tax expense recognized in profit or loss</b>	<b>-</b>	<b>0.70</b>

**Tax rate used for reconciliations above are as under:**

1) The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 with effect from 1 April 2019. Thus, for the FY 2019-20, the applicable tax rate for the company is 25.17% as against the earlier rate of 26%.

2) For the FY 2018-19 corporate tax rate of 26% payable by corporate entities in India (where gross turnover is upto Rs. 250 crore in the FY 2016-17)

**b. As at 31 March 2020, the Company has following unused tax losses under the Income-tax Act for which no deferred tax asset has been recognized:**

Nature of tax loss or tax credit	Financial Year	Gross amount (Rs. In Lakhs)	Expiry date
Business loss	2014-15	6.63	31 March 2023
Business loss	2015-16	13.76	31 March 2024

**Shouri Properties Private Limited**  
**Notes to the financial statements for the year ended 31 March 2020**

**23: Financial Instruments**

**(i) Capital management**

The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the debt and equity balance. The company is not subject to any externally imposed capital requirements. The Company's Board of Directors (BOD) reviews the capital structure of the entity.

**(ii) Categories of financial instruments**

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
(a) Mandatorily measured at FVTPL:		
(i) Debt-oriented mutual funds	29.77	8.39
<b>Measured at amortized cost</b>		
(a) Cash and bank balances	41.21	11.35
(b) Other financial assets at amortised cost		
(i) Trade receivables	31.71	29.57
(iii) Loans	55.82	51.44
(iii) Other Financial assets	1,438.10	-
	<b>1,566.84</b>	<b>92.36</b>
<b>Total financial assets</b>	<b>1,596.61</b>	<b>100.75</b>
<b>Financial liabilities</b>		
<b>Measured at amortized cost</b>		
(a) Trade Payables	48.23	28.80
(b) Other financial liabilities	1,493.92	51.44
<b>Total financial liabilities</b>	<b>1,542.15</b>	<b>80.24</b>

At the end of the year, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the company's maximum exposure to credit risk for such financial assets.

**(iii) Financial risk management**

The Company's principal financial liabilities comprise of mainly security deposits taken which is back to back given to lessor. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances derived directly from its operations. The Company also holds FVTPL investments.

Considering the nature of business and financial assets and liabilities of the Company, they are not exposed to any foreign currency and Interest risk. The Company has dealings with only one party i.e. the parent company to which it has let out space on rent. Therefore, the Company does not envisage any credit risk on trade receivables which will result in financial loss to the company. The credit risk on mutual funds is limited because the counterparties are mutual fund companies with high credit ratings assigned by international credit rating agencies. The entity does not actively trade in these investments. The Company's investment in mutual funds are in debt funds. Hence the Company's exposure to equity price risk is minimal.

**Shouri Properties Private Limited**  
**Notes to the financial statements for the year ended 31 March 2020**

**23: Financial Instruments - continued**

**(iv) Liquidity risk management**

Ultimate responsibility for Company's liquidity risk management rests with the board of directors and its holding company. The Company generally manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and if needed, financial support of holding company.

The following tables details the remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2020**

(Rs. in Lakhs)

Particulars	Payable in 1 year	Payable after 1 year	Total contracted cash flows
<b>Financial Liabilities</b>			
Trade payables	48.23	-	48.23
Other financial liabilities	94.99	1,398.93	1,493.92
<b>Total</b>	<b>143.22</b>	<b>1,398.93</b>	<b>1,542.15</b>

**The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2019**

(Rs. in Lakhs)

Particulars	Payable in 1 year	Payable after 1 year	Total contracted cash flows
<b>Financial Liabilities</b>			
Trade payables	28.80	-	28.80
Other financial liabilities	-	51.44	51.44
<b>Total</b>	<b>28.80</b>	<b>51.44</b>	<b>80.24</b>

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets and financial support from the holding company.



**Shouri Properties Private Limited**  
**Notes to the financial statements for the year ended 31 March 2020**

**23: Financial Instruments - continued**

**(v) Fair value measurement**

The following table provides the fair value measurement hierarchy of the Company's financial asset and liability that are measured at fair value

Financial Assets	Fair Value as at		Fair Value hierarchy
	31 March 2020	31 March 2019	
Investments in Mutual Funds (Note 9)	29.77	8.39	Level 1

Valuation technique(s) and key input(s): Quoted bid prices in an active market.

**Financial instrument measured at Amortized Cost**

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statement are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that be eventually received or paid.

**Shouri Properties Private Limited****Notes to the financial statements for the year ended 31 March 2020****24: Related Party Transactions**

(i) Where Control Exists

a. Inox Leisure Limited (ILL) - holding company

b. GFL Limited (earlier known as Gujarat Fluorochemicals Limited) – holding company of ILL

c. Inox Leasing & Finance Limited - ultimate holding company

**24.1. Transactions with related parties**

(Rs. in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>(a) Transactions during the year</b>		
With Inox Leisure Limited		
Conducting fees received	328.22	349.52
Reimbursement of BG commission	9.54	7.79

Note: The above amounts are exclusive of applicable taxes.

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(b) Balances as at the end of the year</b>		
Inox Leisure Limited		
i) Amount receivable - trade receivable	31.71	29.57
ii) Amount payable - deposit received	104.21	104.21
iii) Counter-guarantee given by ILL	1,643.18	1,643.18

Notes:

1) The amounts outstanding are unsecured and will be settled in cash.

2) No expense has been recognised in the current or previous year for bad or doubtful receivables in respect of the amounts owed by related parties.

3) The Company has received counter-guarantee from Holding company. No counter-Guarantee has been given by the Company.

## Shouri Properties Private Limited

### Notes to the financial statements for the year ended 31 March 2020

#### 25: Leases

The Company has taken a multiplex cinema theatre on operating lease. The agreement is for a period of 18 years with a lock-in period of 5 years, after which the lessor does not have a right to terminate the arrangement. The agreements provide for escalation after pre-determined periods. As per the leave and license agreement, the license fee comprises of fixed license fee and variable license fee which is computed on the basis of annual net sales/turnover of the multiplex. The Company does not have an option to purchase the leased premises at the expiry of lease period.

#### 25.1 Change in accounting policy

During the year Ind AS 116: Leases has replaced the earlier lease standard Ind AS 17: Leases with the date of initial application being 1 April 2019. The Company has transitioned to Ind AS 116 with effect from 1 April, 2019 using 'modified retrospective approach'. Under this approach, the Company has recognized the right-of use assets at its carrying amount as if the standard had been applied since the lease commencement date, but discounted at its incremental borrowing rate at the date of initial application and lease liability measured at the present value of the remaining lease payments.

Further, the Company has given the same premise on sub-lease to its Holding company and hence derecognised the right of use asset and recognised finance lease receivables. Accordingly, as at the date of initial application of Ind AS 116 there is no impact on retained earning.

The impact of change in accounting policy on retained earning as on 1 April 2019 on account of adoption of Ind AS 116 is as follows :

Particulars	(Rs. in lakhs)
	As at 01 April 2019
Recognition of lease liability	(1,524.79)
Recognition of right-of-use assets	847.12
Re-classification of deferred lease rent expense to right-of-use assets	41.37
Derecognition of right-of-use asset on account of sub-lease of the premise considered as finance lease	(847.12)
Re-classification of deferred lease rent income to right-of-use assets	(41.37)
Recognition of finance lease receivables	1,524.79
<b>Net impact on opening retained earnings</b>	<b>-</b>

On transition to Ind AS 116, the opening balances in 'Deferred lease rent expenses' and 'Deferred lease rent income' are reclassified as right-of-use assets.

#### The following is the summary of practical expedients elected on initial application:

- 1) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- 2) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 3) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

There is no difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019, discounted using the incremental borrowing rate at the date of the application of Ind AS 116.

The weighted average incremental borrowing rate applied to lease liability as at 1 April 2019 is 9.16% p.a.

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2020

25: Leases - continued

25.2 As lessee

A. Carrying value of right-of-use assets by class of underlying assets

(Rs. in lakhs)

Particulars	Premises	Total
On recognition and reclassification as at 1 April 2019	888.49	888.49
Derecognition on account of sub-lease of the premise considered as finance lease	(888.49)	(888.49)
<b>Balance as at 31 March 2020</b>	-	-

B. Movement in lease liability during year ended

(Rs. in lakhs)

Particulars	As at 31 March 2020
On recognition as at 1 April 2019	1,524.79
Interest on lease liability	129.78
Payment of lease liability	(216.47)
<b>Balance as at 31 March 2020</b>	<b>1,438.10</b>

C. Break-up of lease liability as at year end:

(Rs. in lakhs)

Particulars	As at 31 March 2020
Current lease liability	94.99
Non-current lease liability	1,343.11
<b>Total</b>	<b>1,438.10</b>

D. Contractual maturities of lease liability as at reporting date on an undiscounted basis:

(Rs. in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current lease liability	216.47	216.47
One to five years	963.49	930.83
More than five years	858.05	1,107.79
<b>Total</b>	<b>2,038.01</b>	<b>2,255.09</b>

E. Amount recognized in statement of profit and loss:

(Rs. in lakhs)

Particulars	Year ended 31 March 2020
Interest on lease liability	129.78
Included in rent expenses: Variable lease payments not included in the measurement of lease liability	108.36

**Shouri Properties Private Limited****Notes to the financial statements for the year ended 31 March 2020****25: Leases - continued****25.3 As a lessor:****Finance lease**

A. The Company has leased and sub leased a multiplex premise on finance lease. This lease have a term of 18 years with a lock-in period of 10 years. The lease include a clause to enable upward revision of the rental charge according to prevailing market conditions. Future minimum lease payments receivable as at reporting date are as follows:

(Rs. in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Less than one year	216.47	216.47
One to five years	963.49	930.83
More than five years	858.05	1,107.79
<b>Total</b>	<b>2,038.01</b>	<b>2,255.09</b>

**B. Movement in finance lease receivables during year ended:**

(Rs. in Lakhs)

Particulars	As at 31 March 2020
On recognition as at 1 April 2019	1,524.79
Interest on finance lease receivables	129.78
Lease rentals received	(216.47)
<b>Balance as at 31 March 2020</b>	<b>1,438.10</b>

**C. Amount recognized in statement of profit and loss**

(Rs. in Lakhs)

Particulars	Year ended 31 March 2020
Interest on finance lease receivables	129.78
Included in conducting fee income : Variable lease rentals not included in the measurement of finance lease receivable	111.75

**Shouri Properties Private Limited****Notes to the financial statements for the year ended 31 March 2020****26: Commitments**

The Company holds a license to operate a multiplex cinema theatre which is eligible for exemption from payment of entertainment tax, subject to fulfilment of the terms and conditions of the State Government Policy. The amount of Entertainment Tax exemption availed so far under the said license, which is liable to be paid if the multiplex ceases operations prior to completing the minimum period of operations in terms of the policy is as under.

(Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Commitments as per Note above	1,444.02	1,444.02

**27: Segment Information**

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and segment performance focuses on single business segment viz. leasing of multiplex cinema theatre. All activities of the Company are at one location and hence there are no geographical segments.

There is only one customer i.e. Inox Leisure Limited (Holding company). Hence, entire revenue is contributed by the holding company.

**28: Earnings per share**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit after tax as per statement of Profit and Loss (Rs. in Lakhs)	5.75	2.89
Weighted average number of equity shares used in calculation of earnings per shares (Nos.)	14,00,000	14,00,000
Nominal Value of equity shares (Rs.)	10	10
Basic and Diluted earnings per share (Rs.)	<b>0.41</b>	<b>0.20</b>

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

**For and on behalf of the Board of Directors of  
Shouri Properties Private Limited****S. S. Agrawal**

Partner

Mem No. 049051

**Alok Tandon**

Director

DIN - 01746839

**Upen Shah**

Director

DIN - 03388861

Place: Pune

Date: 04 June 2020

Place: Mumbai

Date: 04 June 2020