ORIGINAL

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Designated Partners of Turf Estate Joint Venture LLP
(Formerly known as Turf Estate Joint Venture Private Limited)
Report on the Audit of the Ind AS Financial Statements

Opinion

1. We have audited the Ind AS financial statements of **Turf Estate Joint Venture LLP ("the Enterprise")**, which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in capital and statement of cash flows for the year then ended, and other selected explanatory information (herein after referred to as "financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, , the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of the affairs of the Enterprise as at March 31, 2020, and its loss (including other comprehensive income), changes in capital and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Enterprise 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

4. Attention is drawn to the following notes of the audited financial statements for the year ended 31st March,2020.
   a. Note No.6 and 6.1 as regards recoverability aspect of trade receivables relating to a completed project for which the management has provided for expected credit losses for the entire amount but has framed an opinion that the same are good for recovery. In the event, receivable of Rs. 3,17,00,0000/- from a party becomes bad, the same is on account of the holding company (Refer Note No.20.1). Hence, the net exposure of the LLP is Rs. 1,12,00,000/- if the trade receivables are required to be written off as bad debts.

   b. Note No. 22 as regards proposed development of the Project by the LLP; and

   c. Note No. 20.3 as regards financial commitment to infuse funds by the holding company to meet the Enterprise financial obligations.

Our opinion is not qualified in respect of the matters stated here-in-above.

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

B - 21-25, PARAGON CENTRE, PANDURANG BUDHKAR MARG, WORLI, MUMBAI - 400 013.
PHONE : 4073 3000 • 4156 9000 • E-MAIL : map@maparikh.co.in

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Accordingly, we have determined that there are no key audit matters to communicate in our report.

Other Matter

6. We draw attention to Note No. 32 of the audited financial statements for the year ended 31st March, 2020 as regards COVID-19 impact, which describes that based on current indicators of future economic conditions, the Enterprise expects to recover the carrying amount of all its assets and its estimated future cash flows. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Enterprise will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

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

7. The partners of the Enterprise are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in capital and cash flows of the Enterprise in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Enterprise 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, partners of the Enterprise are responsible for assessing the Enterprise'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 Enterprise or to cease operations, or has no realistic alternative but to do so.

Those partners are also responsible for overseeing the Enterprise's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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.

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Enterprise's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Enterprise'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 Enterprise 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

M. A. PARIKH & CO.
MUMBAI
CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

9. 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 purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Enterprise so far as appears from our examination of those books;

   (c) The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income and the Statement of Cash Flows dealt with this report are in agreement with the relevant books of account;

   (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) With respect to adequacy of internal financial controls over financial reporting of the Enterprise and the operating effectiveness of such controls, refer to our separate report given in **Annexure "A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Enterprise's internal financial controls over financial reporting;

   (f) 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:

      (a) The Enterprise has disclosed the impact of pending litigation on its financial position in its financial statements. Refer Note No. 25 of the financial statements.

      (b) The Enterprise does not have any long-term contracts including derivative contracts and hence the question of making any provision, as required under any law or accounting standards, for material foreseeable losses does not arise.

For M. A. Parikh & Co.
Chartered Accountants
Firm's Registration No. 107556W

C.Gh

M. A. PARIKH & CO.
MUMBAI
CHARTERED ACCOUNTANTS

Chintan Ghelani
Partner
Membership No. 132791
UDIN: 20132791AAAAAG3125

Place: Mumbai
Date: 16 JUL 2020

Turf Estate Joint Venture LLP
(Formerly known as Turf Estate Joint Venture Private Limited)

Annexure – A to the Independent Auditors' Report for the year ended 31st March, 2020
[Referred to in paragraph 9(e) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **Turf Estate Joint Venture LLP**, as of 31st March, 2020, in conjunction with our audit of the financial statements of the Enterprise for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Enterprise has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Enterprise 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.

Management's Responsibility for Internal Financial Controls

The Partners are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Enterprise considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note"), issued by 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 Enterprise'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 Enterprise's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statement. 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 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

Enterprise's internal financial control over financial reporting 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 Enterprise's internal financial control over financial reporting 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 Enterprise; (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 Enterprise are being made only in accordance with authorizations of management and partners of the Enterprise; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Enterprise's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For M. A. Parikh & Co.
Chartered Accountants
Firm's Registration No. 107556W

C.Ghelani

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

Chintan Ghelani
Partner
Membership No. 132791
UDIN: 20132791AAAAAG3125

Place: Mumbai
Date: 16 JUL 2020

Turf Estate Joint Venture LLP
(Formerly known as Turf Estate Joint Venture Private Limited)
Balance Sheet as at March 31, 2020

(Amount in Rs.)

Particulars	Note No	As at March 31, 2020
ASSETS		
Non Current Assets		
(a) Property, Plant and Equipment	3	-
(b) Financial Assets		
Investments	4	14,703,180
Total Non Current Assets		**14,703,180**
Current Assets		
(a) Inventories	5	104,748,931
(b) Financial Assets		
(i) Trade Receivables	6	-
(ii) Cash and Cash Equivalents	7	45,156
(iii) Loans	8	312,291
(c) Other Current Assets	9	9,072,040
Total Current Assets		**114,178,418**
Total Assets		**128,881,598**
CAPITAL AND LIABILITIES		
Partners' funds		
Partners Fixed Capital Account	10	100,000
Partners Current Capital Account	11	77,901,194
		78,001,194
Current Liabilities		
(a) Financial Liabilities		
(i) Trade Payables	12	521,289
(ii) Other Financial Liabilities	13	41,581,080
(b) Other Current Liabilities	14	8,600,000
(c) Provisions	15	178,035
Total Current Liabilities		**50,880,404**
Total Contribution & Liabilities		**128,881,598**
Significant accounting policies & notes	**1-33**	

Notes to Accounts form an integral part of financial statements

As per our report of even date attached
For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

M.A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

Chintan Ghelani
Partner
Membership No. :132791

For Turf Estate Joint Venture LLP

(Ishaq Balwa)
Designated Partner
Din No. 00017866

(Jessie Kuruvilla)
Designated Partner
Din No. 02290242

Place : Mumbai
Date: 16th July, 2020

Turf Estate Joint Venture LLP
(Formerly known as Turf Estate Joint Venture Private Limited)
Profit and Loss for the period ended March 31, 2020

(Amount in Rs.)

	Particulars	Note No.	For the period from July 8, 2019 to March 31, 2020
I	Revenue from operations		-
II	Other Income	16	2,197,307
III	**Total Income (I)+(II)**		**2,197,307**
IV	**Expenses**		
	Project Related Expenses	17	104,748,931
	Changes in inventories of finished goods, work in progress and stock-in-trade	18	(104,748,931)
	Other Expenses	19	28,755,718
	Total Expenses (IV)		**28,755,718**
V	**Profit before tax (III)-(IV)**		**(26,558,411)**
VI	**Tax expense**	21	
	Current tax		-
	Deferred tax		-
			-
VII	**Profit for the period (V)-(VI)**		**(26,558,411)**
VIII	**Other Comprehensive Income**		
A	(i) Items that will not be reclassified to Profit or Loss		-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-
B	(i) Items that will be reclassified to Profit or Loss		-
	(ii) Income tax relating to items that will be reclassified to Profit or Loss		-
	Total Other Comprehensive Income [A (i)-(ii) + B (i)-(ii)] (VIII)		-
IX	**Total Comprehensive Income for the period (VII)+(VIII)**		**(26,558,411)**
Significant accounting policies & notes		**1-33**	

Notes to Accounts form an integral part of financial statements

As per our attached report of even date
For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

Chintan Ghelani
Partner
Membership No. :132791

For Turf Estate Joint Venture LLP

(Ishaq Balwa)
Designated Partner
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Designated Partner
Din No. 02290242

Place : Mumbai
Date: 16th July, 2020

Turf Estate Joint Venture LLP
(Formerly known as Turf Estate Joint Venture Private Limited)

Statement of Cash Flows for the period ended March 31, 2020

	Particulars	For the period from July 8, 2019 to March 31, 2020	
(A)	**Cash Flow From Operating Activities:**		
	(Loss) before tax as per Statement of Profit and Loss		(26,558,411)
	Less : Share of Profit in a Partnership Firm		(2,197,307)
	Add : Expected credit losses		28,346,212
	Operating Income before working capital Changes		**(409,506)**
	Adjustments for changes in Working Capital :		
	(Increase)/Decrease Financial Assets	5,939	
	(Increase) / Decrease Inventories	(104,748,931)	
	(Increase) / Decrease Other Current Assets	25,862	
	Increase/(Decrease) Trade Payables	356,756	
	Increase/(Decrease) Other Current Liabilities	(11,777)	**(104,372,151)**
	Cash Flow from Operating Activities:		**(104,781,657)**
	Less: Taxes paid		-
	Net Cash Flow from Operating Activities:		(104,781,657)
(B)	**Cash Flow From Investing Activities:**		
	Contribution made/withdrawn in a Partnership firm	(12,128,173)	
	Net Cash used in Investing Activities		**(12,128,173)**
(C)	**Cash Flow From Financing Activities:**		
	Contribution made (net) during the period	116,935,215	
	Net Cash Generated from Financing Activities		**116,935,215**
	Net Increase in Cash and Cash Equivalents		**25,385**
	Add: Cash and Cash Equivalents (Opening)		19,771
	Cash and Cash Equivalents (Closing)		**45,156**
	Cash and Cash Equivalents includes		
	Cash on hand		8,254
	Bank balances		36,902
			45,156
Significant accounting policies & notes		**1-33**	

Notes to Accounts form an integral part of financial statements
As per our report of even date attached
For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

Chintan Ghelani
Partner
Membership No. :132791

For Turf Estate Joint Venture LLP

(Ishaq Balwa)
Designated Partner
Din No. 00017866

(Jessie Kuruvilla)
Designated Partner
Din No. 02290242

Place : Mumbai
Date: 16th July, 2020

Turf Estate Joint Venture LLP
(Formerly known as Turf Estate Joint Venture Private Limited)
Notes to Financial Statements

1 **Background :**

Turf Estate Joint Venture LLP (the "LLP") is registered on 8th July, 2019 by converting Turf Estate Joint Venture Private Limited. DB Realty Limited is having 100% interest in LLP, which is listed with National Stock Exchange and Bombay Stock Exchange. The LLP has its principal place of business in Mumbai and its Registered Office is at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400063. The LLP is proposing to develop a real estate project (Refer to Note No. 22).

The LLP's financial statements were authorised for issue in accordance with a resolution of the Designated Partners on passed on July 16, 2020.

2 **Significant Accounting Policies, Accounting Judgements, Estimates and Assumptions followed in the preparation and presentation of the financial statements :**

2.01 **Basis of preparation and measurement :**

(a) Basis of preparation -

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupee ("INR"), the functional currency of the LLP. Items included in the financial statements of the LLP are recorded using the currency of the primary economic environment in which the LLP operates (the 'functional currency')."

(b) Basis of measurement -

These Ind AS financial statements have been prepared on a historical cost basis, except for financial assets and liabilities measured at fair value (refer accounting policy no. 2.06 regarding financial instruments). 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the LLP.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The LLP uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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.

2.02 **Current and Non-Current classification of assets and liabilities and operating cycle :**

<u>An asset is considered as current when it is</u> -
- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised 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.

<u>A liability is considered as current when</u> -
- 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.

All the assets and liabilities have been classified as current and non-current as per the LLP's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

2.03 **Property, plant and equipment :**

Property, Plant and Equipment are recorded at their cost of acquisition, net of MODVAT / CENVAT, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

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

2.04 **Depreciation :**

Depreciation on Property, Plant and Equipment is provided on Straight Line Method in accordance with the provisions of Schedule II to the Companies Act, 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

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2.05 **Inventories :**

Inventories comprise of : (i) Project Work-In-Progress representing properties under construction / development and (ii) Building Materials representing inventory yet to be consumed.

In accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the ICAI, inventories are valued at lower of cost and net realizable value. Building Materials are valued at weighted average method. Project work in progress cost includes cost of land/ development rights, materials, services, depreciation on assets used for project purposes and other expenses (including borrowing costs) attributable to the projects. It also includes any adjustment arising due to foreseeable losses.

2.06 **Revenue Recognition :**

(a) Sale of Properties -

Revenue from sale of properties under construction is recognized when it satisfies a performance obligation by transferring a promised good or service to a customer in accordance with Ind AS 115. An entity 'transfers' a good or service to a customer when the customer obtains control of that asset. Control may be transferred either at a point in time or over time.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time if one of the following criteria is met :

(i) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

(ii) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(iii) 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.

Revenue is recognised at a point in time if it does not meet the above criteria.

The Cost in relation to properties under development is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the period in respect of contracts recognised and the balance cost to fulfil the contracts is carried over under other current assets. Impairment loss is recognised in the Statement of Profit and Loss to the extent carrying amount exceeds the remaining amount of consideration of the contracts entered into with the customers as reduced by the costs that have not been recognised as expenses.

(b) Share of Profit in Partnership Firm

Share of Profit / loss in Partnership firms is recognised when the right to receive is established.

2.07 **Financial Instruments :**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets –

(a) Initial Recognition and Measurement–

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

(b) Subsequent Measurement –

For purposes of subsequent measurement, financial assets are classified in following categories :

- Financial assets at Amortised Cost.
- Financial assets at Fair Value through Other Comprehensive Income. (FVTOCI)
- Financial assets at Fair Value through Statement of Profit and Loss. (FVTPL)

Financial Assets at Amortized Cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Financial Assets at FVTOCI

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test : The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test : 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.

Financial Assets at FVTPL

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

(c) Derecognition –

A financial asset (or, where applicable, a part of a financial asset or group of similar financial assets) is primarily derecognised (i.e. removed from the LLP's statement of financial position) when :

i. The rights to receive cash flows from the asset have expired, or
ii. The LLP has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either;
    - the LLP has transferred substantially all the risks and rewards of the asset, or
    - the LLP has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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(d) Impairment of Financial Assets –

The LLP applies the expected credit loss (ECL) model for measurement and recognition of impairment loss of financial assets at amortised cost.

The LLP follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the LLP does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the LLP uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the LLP determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the LLP combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the LLP 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 EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

(ii) Financial Liabilities –

(a) Initial Recognition and Measurement -

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The LLP's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, trade and other payables and financial guarantee contracts.

(b) Subsequent Measurement -

This is dependent upon the classification thereof as under :

<u>Loans and Borrowings</u>

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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. EIR amortisation is included as finance costs in the statement of profit and loss.

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(c) Derecognition -
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.

(iii) Offsetting of Financial Instruments -
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

(iv) Investment in partnership firms and limited liability partnership
The LLP has accounted for its investment in partnership firm and limited liability partnership at cost.

2.08 **Taxes on Income :**

Income Tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

(i) Current Income Taxes -
Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in current tax expense.

(ii) Deferred Taxes -
Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax asset is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

2.09 **Provisions and Contingent Liabilities :**
Provisions are recognised when the LLP has a present obligation (legal or constructive) as a result of a 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

When the LLP expects some or all of a provision to be reimbursed, the same is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. 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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LLP or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes.

2.10 **Exceptional Items :**
When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.11 **Cash and Cash Equivalents :**
Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

2.12 **Statement of Cash Flows :**
Cash Flow Statement is prepared under the Indirect Method as prescribed under the Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows. The cash flows from operating, investing and financing activities of the LLP are segregated based on the available information.

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2.13 **Commitments :**

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows :

(a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and

(b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.14 **Judgements :**

In the process of applying the LLP's accounting policies, management has made the following judgements, which have the most significant effects on the amounts recognised in the financial statements :

(a) The LLP's plan as regards developing the Project (Refer Note No. 22)

(b) Non-recognition of deferred tax asset (Refer Note No.21).

(c) Recoverability aspect of trade receivables (Refer Note No. 6, 6.1, 6.2 and 20.1).

(d) Assessment of the status of various legal cases and other disputes where the LLP does not accept any material outflow of resources and hence, these are reflected as contingent liabilities (Refer Note No. 25).

2.15 **Estimates and Assumptions :**

There are no key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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Turf Estate Joint Venture LLP
(Formerly known as Turf Estate Joint Venture Private Limited)
Notes forming part of Financial Statements

3 Property, Plant and Equipment

	Particulars	Gross Block			Accumulated Depreciation			Net Block	
		Balance as at March 31, 2019	Additions/ (Disposals)	Balance as at March 31, 2020	Balance as at March 31, 2019	For the year	Balance as at March 31, 2020	Balance as at March 31, 2020	Balance as at March 31, 2019
a	Temporary Structure	1	-	1	1	-	1	-	-
b	Furniture and Fixtures	1	-	1	1	-	1	-	-
	Total	**2**	**-**	**2**	**2**	**-**	**2**	**-**	**-**
	Previous Year	**2**	**-**	**2**	**2**	**-**	**2**	**-**	**-**

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(Amount in Rs.)

4 Non-current Financial Assets - Investments

Particulars	As at March 31, 2020
Investment in Equity Shares (unquoted) 10,000 equity shares of Rs. 10 each in Turf Estate Realty Pvt. Ltd.	1,00,000
Investment in Evergreen Industrial Estate	1,46,03,180
Total	**1,47,03,180**

4.1

Name: Evergreen Industrial Estate Name of the Partners (*)	Share of Profit/Loss %	Capital as at 31.03.2020
Turf Estate Joint Venture LLP	66.66	1,46,03,180
Pony Estate Pvt. Ltd.	33.33	7,91,24,557
Turf Estate Joint Venture (AOP)	0.01	(92,57,849)

5 Inventories

Particulars	As at March 31, 2020
At cost or net realisable value whichever is lower Project Work-in-Progress (Refer Note No.22)	10,47,48,931
Total	**10,47,48,931**

6 Current Financial Assets -Trade Receivables

Particulars	As at March 31, 2020
Unsecured and Considered good (Refer Note 6.1 and 6.2)	4,29,00,000
Less: Allowances for credit losses	(4,29,00,000)
Total	-

6.1 Represents amounts receivable against sale of two units forming part of Turf Estate (completed project) which became overdue even after granting deferred payment schedules to the parties after the date(s) the sums were due for payment. Accordingly, as the dues have remained outstanding for a very long period of time and in absence of definite time-frame for receipt of these dues, the management has decided to provide for expected credit losses for the entire amount; but have considered the same as good for recovery, as effective steps are taken for realisation thereof. Reference is also drawn to Note No. 20.1. The amounts are also subject to confirmation.

6.2 Movement in allowance for credit losses is as under:

Particulars	As at March 31, 2020
Balance at the beginning of the period	1,45,53,788
Allowances for credit losses recognized during the period	2,83,46,212
Balance at the end of the period	**4,29,00,000**

7 Cash and Cash Equivalents

Particulars	As at March 31, 2020
Balances with Banks	36,902
Cash on hand	8,254
Total	**45,156**

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(Amount in Rs.)

8 Current Financial Assets- Loans

Particulars	As at March 31, 2020
(Unsecured and considered good)	
Partners' Current Capital Accounts	-
Loans to related parties (*) (Refer Note No.26)	312,291
Total	**312,291**

(*) Interest free and repayable on demand

9 Other Current Assets

Particulars	As at March 31, 2020
Advance for acquiring Occupancy Rights (Refer Note No. 9.1)	8,600,000
Current tax recoverable	432,000
Balance with Statutory Authorities	40,040
Total	**9,072,040**

9.1 The LLP on behalf of DB (BKC) Realtors Pvt. Ltd. had advanced Rs. 86,00,000/- towards acquisition of occupancy rights of the occupant situated at Tata Colony, Bandra Kurla Complex, Mumbai. As per the Memorandum of Understanding entered into by the LLP with DB (BKC) Realtors Pvt. Ltd., the LLP has been appointed under a fiduciary capacity to acquire the said rights and to retransfer the same to DB (BKC) Realtors Pvt. Ltd. as and when so directed. In these accounts, the amounts received from DB (BKC) Realtors Pvt. Ltd. have been shown as other current liability and the amount so advanced has been classified as other current assets. The necessary adjustment entries shall be passed in the year in which the occupancy rights are retransferred to DB (BKC) Realtors Pvt. Ltd. Further, as per the MOU, liability for stamp duty on acquiring occupancy rights which is yet to be ascertained as also any other costs including capital gains tax liability, if any, is to be borne by DB (BKC) Realtors Pvt. Ltd.

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Turf Estate Joint Venture LLP

(Formerly known as Turf Estate Joint Venture Private Limited)

Notes forming part of Financial Statements

(Amount in Rs.)

10 Partners' Fixed Capital Account

Particulars	DB Realty Limited	Jessie Kuruvilla (As a nominee for DB Realty Limited)	Ishaq Balwa (As a nominee for DB Realty Limited)	As at March 31, 2020
(Share in profit / Loss)	**100.00%**	**0.00%**	**0.00%**	
On conversion into LLP (*)	99,800	100	100	**100,000**
Closing Balance	**99,800**	**100**	**100**	**100,000**

(*) Represent equity share capital of erstwhile Turn Estate Joint Venture Private Limited

11 Partners' Current Capital Account

Particulars	DB Realty Limited	As at March 31, 2020
(Share in profit / Loss)	**100.00%**	
On conversion into LLP (*)	(33,680,540)	(33,680,540)
Unsecured loan taken over at the time of Conversion	21,207,430	21,207,430
Contribution made (net) during the period	116,932,715	116,932,715
	104,459,605	104,459,605
Share of Profit for the period	(26,558,411)	(26,558,411)
	77,901,194	77,901,194
Closing Balance	**77,901,194**	**77,901,194**

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(Amount in Rs.)

12 Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2020
Trade payables	
Total outstanding dues of Micro enterprises and Small enterprises (Refer Note No. 23)	-
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	521,289
Total	**521,289**

13 Other Current Financial Liabilities

Particulars	As at March 31, 2020
Compensation payable to Controlling Partner (Refer Note No. 20, 20.1 and 26)	41,581,080
Total	**41,581,080**

14 Other Current Liabilities

Particulars	As at March 31, 2020
Advance received for acquiring Ocupancy Rights (Refer Note No. 9.1)	8,600,000
Total	**8,600,000**

15 Current Provisions

Particulars	As at March 31, 2020
Provision for Current Tax	178,035
Total	**178,035**

16 Other Income

Particulars	For the period from July 8, 2019 to March 31, 2020
Share of Profit in a Partnership Firm	2,197,307
Total	**2,197,307**

17 Project Expenses

Particulars	For the period from July 8, 2019 to March 31, 2020
Leasehold Land Premium (Refer Note No.22)	56,830,325
Property Tax (Refer Note No.22)	47,918,606
Total	**104,748,931**

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(Formerly known as Turf Estate Joint Venture Private Limited)
Notes forming part of Financial Statements

18 Changes in Inventories

Particular	For the period from July 8, 2019 to March 31, 2020
Project work-in-progress	
Balance as of commencement of the period	-
Less: Balance as of end of the period	104,748,931
Total	**(104,748,931)**

19 Other Expenses

Particulars	For the period from July 8, 2019 to March 31, 2020
Legal and Professional Charges	334,200
Printing & Stationery	-
Remuneration to Auditors	
- Audit Fees	12,500
- Other Services	22,500
Allowances for credit losses on financial assets (Refer Note No.6.1 and 6.2)	28,346,212
Miscellaneous Expenses	40,306
Total	**28,755,718**

20 The LLP has rights in the land situated at Lower Parel, Mumbai and has constructed a building known as "Turf Estate" on the said land. For the balance development potential on the said land, the LLP had entered into a Memorandum of Understanding [MOU] dated 5th August 2009 with DB Realty Limited [DBR], whereby it had agreed to grant rights for the balance development potential on the said land to DBR for Rs. 1,00,00,000/-, out of which Rs. 25,00,000/- (non-refundable) was paid on execution of MOU and the balance amount was due on execution of development agreement. During the year, both the parties have entered into arrangement whereby the said MOU is cancelled since the management has decided to develop the real estate project by the LLP on a larger plot of land, which includes using of balance development potential of the said land (Refer Note No.22).

20.1 The LLP has to pay Rs. 4,15,81,080/- to DBR as "Compensation on Resale of Units" and against sale of one unit, the LLP is yet to receive Rs.3,17,00,000/- from a party, which if becomes irrecoverable, the amount of loss is on DBR's account.

20.2 DBR has formed a joint venture, known as Turf Estate (the JV), which hitherto was to develop and construct the real estate project, which involved rehabilitation of the occupants of the units forming part of the building constructed by the LLP. A Memorandum of Understanding is entered into by the JV with 46 unit owners wherein the LLP is a confirming party. The finality as regards rehabilitation of all the occupants with whom MOU has been entered into is not yet reached. For balance unit owners, the settlement is pending. Refer also to Note No. 22.

20.3 DBR has given a financial commitment that it would infuse funds as and when required to meet the LLP's financial obligations.

21 As of period-end, the LLP has net deferred tax asset. The LLP's project namely "Turf Estate" was completed in the year ended March 31, 2010. Accordingly, the LLP has not recognised deferred tax, pending development of any new project(s), since no liability is expected towards current tax. The necessary re-assessment shall be made at the end of each financial year recognisation of deferred tax.

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22 The LLP, which is 100% controlled by DB Realty Limited (DBR), has rights in the land situated at Lower Parel, Mumbai and has constructed a building known as "Turf Estate" on the said leasehold land. The LLP is in discussions with parties which owns leasehold rights of adjacent land, whereby the LLP would become entitled to develop the larger plot of the leasehold land for development. In view of the said objectives, the LLP has borne the project expenses (Refer Note No. 17), being the obligation of the Turf Estate JV, as hitherto it was proposing developed the entire land.

23 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

(Amount in Rupees)

Particulars	**As at March 31, 2020**
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-
Interest accrued on the due to suppliers under MSMED Act on the above amount	-
Payment made to suppliers (Other than interest) beyond the appointed date, during the period	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-
Interest paid to suppliers under MSMED Act (Section 16)	-
Interest due and payable to suppliers under MSMED Act for payments already made	-
Interest accrued and remaining unpaid at the end of the period to suppliers under MSMED Act	-

Note: The above information is compiled by the LLP on the basis of the information made available by vendors and the same has been relied upon by the Auditors.

24 In absence of virtual certainty of earning sufficient taxable income in near future years, as a matter of prudence the LLP has not recognised MAT credit entitlement of Rs. 299,111/- of an earlier year though available for set-off in accordance with the provisions of the Income Tax Act, 1961.

25 Contingent Liabilities not provided for:
There are certain on-going litigations, the outcome of which is unascertainable. The LLP has decided to provide for the liability on its acceptance and does not expect the same to have any material adverse impact in its financial position.

26 Related Party Disclosure:
As per Indian Accounting Standard -24 (Ind AS-24) 'Related Party Disclosures', the disclosures of transactions with the related parties as defined in Ind AS-24 are given below:

A <u>List of Related Parties with whom transactions have taken place and their relationship:</u>

Controlling Partner
D B Realty Limited

Subsidiary of Controlling Partner, Jointly Controlled Entities by the LLP/ controlling partner (Associated Enterprises)
DB (BKC) Realtors Private Limited
Real Gem Buildtech Private Limited
Evergreen Industrial Estate
Turf Estate JV
DB Man Realty Limited
Turf Estate Realty Pvt. Ltd.

B <u>Transactions with Related Parties and outstanding balance as of period-end:-</u>

(Amount in Rupees)

Particulars	**Controlling Partner**	**Associated Enterprises**
Contribution made by the partner (Net)	116,932,715	-
Contribution made/(withdrawal) in partnership firm (Net)	-	14,603,180

Particulars	**Controlling Partner**	**Associated Enterprises**
Reimbursement of Statutory Obligations		
Statutory obligation paid on behalf of the LLP	-	2,500
Investment in the capital of Evergreen Industrial Estate (Partnership Firm)		
Share of Profit in Partnership Firm	-	2,197,307

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Outstanding balances	As on March 31, 2020
Payables	
Fixed Capital Account of D B Realty Limited	99,800
Current Capital Account of D B Realty Limited	77,901,194
Loan Taken	
Associates- DB(BKC) Realtors Pvt. Ltd.	8,600,000
Compensation Payable to Controlling Partner	
DB Realty Ltd	41,581,080
Receivables	
Investment in the capital of Evergreen Industrial Estate	14,603,180
Loan Granted	
Turf Estate JV	302,261
DB Man Realty Limited	10,030

Note:
The aforesaid related parties are as identified by the LLP and relied upon by the Auditors.

27 Segment Reporting:
The LLP is in the business of real estate development which is the only reportable operating segment. Hence, separate disclosure requirements of Ind AS-108 Segment Reporting are not applicable.

28 Financial Instruments
The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2.06 of the Ind AS financial statements.

28.1 Financial assets and liabilities:
The carrying value of financial instruments by categories as of March 31, 2020 is as follows

Particulars	Note No.	Amortised Cost	Carrying amount As at March 31, 2020
Financial assets:			
(i) Investments	4	14,703,180	14,703,180
(ii) Trade Receivables	6	-	-
(iii) Cash and Cash Equivalents	7	45,156	45,156
(iv) Loans	8	312,291	312,291
Total		**357,447**	**357,447**
Financial liabilities:			
Trade Payables	12	521,289	521,289
Other Financial Liabilities	13	41,581,080	41,581,080
Total		**42,102,369**	**42,102,369**

29 Financial Risk Management:
At present, the LLP's financial obligation is met by the Controlling Partner by providing interest free contribution. Therefore, the risk management policy as adopted by the Controlling Partner is adhered to by the LLP.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk comprises two types of risk: credit and default risk and liquidity risk.

(A) Credit risk and Default risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The LLP is exposed to credit risk from its operating activities (primarily trade receivables, business advances etc.) and from its investing activities (primarily loans granted to various parties including related parties).

Trade Receivables
Considering the inherent nature of business of the LLP, Customer credit risk is minimal. The LLP generally does not part away with its assets unless trade receivables are fully realised.

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

(Formerly known as Turf Estate Joint Venture Private Limited)

Notes forming part of Financial Statements

(B) Liquidity Risk:

Liquidity risk refers to the risk that the LLP cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

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

Particulars	Amount payable during below period				
	As at March 31, 2020	Within 1 year	1-2 years	2-5 years	more than 5 years
Liabilities					
Borrowings					
Current Trade Payables	521,289	521,289	-	-	-
Other Current Financial Liabilities					
Compensation Payable to Controlling Partner	41,581,080	41,581,080	-	-	-

Note : In above tables, contribution received from the LLP's Controlling Partner is not considered as a financial obligation, being the source, as of now, to meet it's financial obligations.

30 **Capital Management:**

The LLP being wholly owned subsidiary of D B Realty Ltd, the management of its capital structure is controlled by the said Controlling Partner.

31 Balances of Trade Payables are subject to confirmation and reconciliation, if any, wherever applicable.

32 **COVID - 19**

The LLP has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the LLP, as at the date of approval of these financial results has used internal and external sources of Information. As on current date, the LLP has concluded that the Impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the LLP will continue to monitor developments to identify significant uncertainties in future periods, if any.

33 This being the first period of incorporation of the LLP, previous year figures are not reported.

As per our report of even date attached
For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

Chintan Ghelani
Partner
Membership No. :132791

Place : Mumbai
Date: 16th July, 2020

For and on Behalf of Board of Directors

Jessie Kuruvilla
Designated Partner
Din No. 02290242

Ishaq Balwa
Designated Partner
Din No. 00017866