

## INDEPENDENT AUDITOR'S REPORT

To the Members of South City Projects (Kolkata) Limited

Report on the Audit of the Consolidated Financial Statements

### Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **South City Projects (Kolkata) Limited** ("the Holding"), its subsidiaries and its step down subsidiaries (the Holding, its subsidiaries and its step down subsidiaries collectively referred to as 'the Group'), which comprise the Consolidated balance sheet as at 31<sup>st</sup> March 2022, and the consolidated statement of Profit and Loss, Consolidated Statement of Changes in Equity, the Consolidated Statement of cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of subsidiaries and step down subsidiaries referred to in the Other Matters section below, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) rules 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their Consolidated loss, their Consolidated total comprehensive loss, their consolidated changes in equity and their cash flows for the year ended on that date.

### Basis for Qualified Opinion

We state below qualification as reported by auditor of step-down subsidiary "IDPL" (being the said Auditor in the para below) in their audited financial statements merged herewith.

- 1) In respect of trade receivable amounting to Rs.24,33,29,354 included in note 8 of Consolidated financial statements, the said auditor called for, but did not receive direct confirmations from customers. In the absence of other appropriate audit evidence, the said auditor was unable to satisfy ourselves with regard to the collectability of the stated receivable balance.
- 2) In respect of a receivable balance amounting to Rs.6,55,58,723 (included in note 12 of Consolidated financial statements under Advances for Suppliers and Contractors and Balance due from a former Key Management Personnel) and a payable balance amounting to Rs.3,46,87,950 included in note 21 and note 18 of Consolidated financial statements under Retention Payable to Contractors and Sundry Creditors), the said auditor was not allowed to call direct confirmations by the management. In the absence of direct confirmation and other alternative evidence to satisfy ourselves with regard to the fairness of such balances and disclosures, the said auditor was unable to determine whether any adjustments to such recorded amounts and disclosures were necessary.





## Emphasis of Matter

We draw attention to note 43-45 of the consolidated financial statements, the Company has not charged interest during the year on the loan provided to its subsidiary (AAIPL). The loan taken by AAIPL has been further given to step down subsidiaries for various real estate activities. AAIPL has also not charged interest during the year on the loans given to step down subsidiaries, due to sluggish real estate market condition. Also, the company has not charged guarantee commission for the corporate guarantee given against the loan taken by step down subsidiary viz Indocean Developers Private Limited (IDPL) for the same reason.

The Company has neither impaired loan given to subsidiary nor investment made in subsidiary, based on projected cash flow as certified by the management. The loan given to step down subsidiaries by AAIPL is fully realisable based on valuation of inventory and projected cashflows as certified by the Independent Valuer and management of IDPL and projected cash flows as certified by management of AA Infra(Middle East) Limited.

Our opinion is not modified in respect of the matter emphasised.

## Other Information

The Holding's Board of Directors is responsible for the other information. The other information comprises the information included in Holding Company's Annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Other information as far as it relates to the subsidiaries is traced from their financial statements audited by other auditors.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibility of Management and Those Charged with Governance for Consolidated Financial Statements

The Holding's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.





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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Companies Act, 2013, 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements





of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We also communicate with those charged with governance of the Holding 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.

## Other Matters

- a) We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of Rs. 77,377.90 lakhs as at 31st March 2022 and total revenues of Rs. 417.65 lakhs for the year ended on that date and three step down subsidiaries, whose financial statements reflect total assets of Rs. 93,020.69 lakhs as at 31st March 2022 and total revenues of Rs. 92,004.43 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and step down subsidiaries is based solely on the reports of the other auditors.
- b) Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments made by the Company's management has been audited by other auditor. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.





## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors of the Holding and the reports of the statutory auditors of its subsidiary companies and step-down subsidiaries, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our Separate Report in Annexure A" which is based on the auditors' reports of the Holding and subsidiary companies and Step-down subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
  - (g) With respect to the matter to be included in the Auditor's Report under section 197(16)

In our opinion and according to the information and explanation given to us, the Holding Company has not given any remuneration to its any director during the current year. Thus, provisions of section 197 of the Act are not applicable. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Holding Company and its Subsidiaries including step down subsidiaries has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note No. 33.
    - ii. The Holding Company and its Subsidiaries including step down subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which has been required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries including step down subsidiaries.





# Agrawal Tondon & Co.

CHARTERED ACCOUNTANTS

Firm Registration No. : 329088E

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2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies incorporated in India, as noted in the 'Other Matter' paragraph we given in the "Annexure B" a statement on the matters specified in paragraph 3(xxi) of the Order.

Place: Kolkata  
Dated: 3<sup>rd</sup> December 2022



For Agrawal Tondon & Co.

Chartered Accountants

FRN - 329088E

Radhakrishnan Tondon

Partner

Membership No. 060534

UDIN- 23060534BGWXWV2627



## Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **South City Projects(Kolkata) Limited** (hereinafter referred to as "the Holding") as on 31st March 2022 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended on that date. We have not audited the internal financial controls of the subsidiary companies which are incorporated in India.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding and its subsidiary incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion the internal financial controls over financial reporting of the Holding and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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. 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 judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding and its subsidiary companies, which are companies incorporated in India.





## Meaning of Internal Financial Controls Over Financial Reporting

A Company'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 Company'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 company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

## 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.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding and its subsidiary companies which are companies incorporated in India, have, 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 March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.





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## Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting as far as it relates to subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

Place: Kolkata

Dated: 3<sup>rd</sup> December 2022



For Agrawal Tondon & Co.

Chartered Accountants

FRN – 329088E

Radhakrishnan Tondon

Partner

Membership No. 060534

UDIN-23060534BGWXWV2627

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## Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

Place: Kolkata

Dated: 3<sup>rd</sup> December 2022



For Agrawal Tondon & Co.

Chartered Accountants

FRN – 329088E

Radhakrishnan Tondon

Partner

Membership No. 060534

UDIN-23060534BGWXWV2627



**South City Projects (Kolkata) Limited**  
Consolidated Balance Sheet as at March 31, 2022

(Rs in Lacs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	4.1	14,794.58	18,109.14
(b) Capital Work-in-Progress	4.2	11,786.97	9,163.15
(c) Investment Property	4.3	5,121.85	100.35
(d) Other Intangible Assets	4.4	2.77	7.72
(e) Right to use of Assets	4.5	2,932.87	9,958.70
(f) Goodwill on Consolidation	5	3,900.78	1.94
(g) Financial Assets			
- Investments	6	2,711.67	510.88
- Trade Receivables	8	309.46	562.53
- Other Bank Balances	14	-	21,836.26
- Loans	9	(0.00)	167.42
- Other Financial Assets	10	26,383.46	3,997.31
(h) Deferred Tax Assets	23	387.67	385.02
(i) Other Non-Current Assets	12	5,274.77	7,191.13
		<b>73,606.84</b>	<b>71,991.55</b>
<b>Current assets</b>			
(a) Inventories	13	68,897.83	1,68,637.75
(b) Financial assets			
- Investments	7	283.74	208.52
- Trade Receivables	8	10,128.87	1,453.68
- Cash and Cash Equivalents	14.1	3,328.99	1,686.25
- Other Bank Balances	14.2	38.04	37.91
- Loans	9	1,539.17	6,287.04
- Other Financial Assets	10	385.82	402.34
(c) Assets Classified as held for sale	4.6	3,395.18	-
(d) Current Tax Assets	11	2,767.29	1,500.61
(e) Other Current Assets	12	4,000.15	4,649.53
		<b>94,765.08</b>	<b>1,84,863.62</b>
<b>TOTAL ASSETS</b>		<b>1,68,371.93</b>	<b>2,56,855.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	450.07	450.07
(b) Other Equity	16	9,795.50	22,980.94
<b>Equity attributable to equity holders of the parent</b>		<b>10,245.57</b>	<b>23,431.01</b>
(c) Non-Controlling interests		(291.91)	(1,890.15)
<b>Total Equity</b>		<b>9,953.66</b>	<b>21,540.85</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	73,883.16	86,071.50
(ii) Other Financial Liabilities	21	807.80	990.12
(b) Deferred Tax Liability	23	483.06	9.04
(c) Other Non- Current Liabilities	22	7,462.37	6,875.55
(d) Provisions	19	277.78	381.36
		<b>82,914.17</b>	<b>94,327.56</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	49,622.68	33,999.73
(ii) Trade payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	18	1.37	0.91
Total Outstanding Dues of Creditors other than Micro Enterprises & Small Enterprises		8,849.15	4,074.17
(iii) Other financial liabilities	21	5,302.50	15,917.83
(b) Other current liabilities	22	11,206.46	82,293.62
(c) Provisions	19	521.95	4,700.51
		<b>75,504.10</b>	<b>1,40,986.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,68,371.93</b>	<b>2,56,855.17</b>

Summary of significant accounting policies

1-3

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

As per our report of even date

For **AGRAWAL TONDON & CO.**

Chartered Accountants

Firm Registration No : 329088E

**Radhakrishnan Tondon**

Partner

Membership No- 060534

Place: Kolkata

Dated: 3rd December, 2022



For South City Projects (Kolkata) Ltd.

Company Secretary (M. No: F8011)

For and on behalf of Board of Directors

For South City Projects (Kolkata) Ltd.

Director (DIN: 00920819)

For South City Projects (Kolkata) Ltd.

Director (DIN: 00627506)

# South City Projects (Kolkata) Limited

Consolidated Statement of Profit and Loss Account for the year ended March 31, 2022

(Rs. in lacs)

Particulars	Note	2021-22	2020-21
<b>Income</b>			
Revenue from Operations	24	1,09,060.67	13,368.00
Other Income	25	7,293.86	3,287.89
<b>Total Income</b>		<b>1,16,354.53</b>	<b>16,655.89</b>
<b>Expenses</b>			
Construction Costs	26	12,225.53	9,967.43
(Increase) / Decrease in inventories	27	(7,499.81)	(8,665.73)
Employee benefits expenses	28	529.49	550.93
Depreciation and amortisation expenses	29	1,262.26	1,471.98
Cost of Sales	30.1	77,055.74	-
Finance Cost	30.2	56,427.78	12,639.62
Other Expenses	31	7,305.79	3,751.48
<b>Total Expenses</b>		<b>1,47,306.77</b>	<b>19,715.70</b>
<b>Profit / Loss before Tax</b>		<b>(30,952.24)</b>	<b>(3,059.82)</b>
<b>Tax Expenses</b>			
Current tax		352.88	166.15
Tax for earlier years		0.18	(0.58)
Deferred tax credit (net)		676.68	(99.52)
<b>Total Tax Expense</b>		<b>1,029.74</b>	<b>66.04</b>
<b>Total Profit/(Loss) for the Year (III)</b>		<b>(31,981.98)</b>	<b>(3,125.85)</b>
<b>Profit/(Loss) of Step down subsidiaries of last year (Refer Note No. 48) (IV)</b>		-	(9,529.45)
<b>Other Comprehensive Income (OCI)</b>			
i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-Measurement gains on defined benefit plans		(5.26)	11.98
Income Tax effect		1.52	(3.48)
ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Foreign exchange gain/ (loss) arising on translation of Foreign Operation		16,499.69	(2,130.55)
Foreign exchange gain/ (loss) arising on translation of Foreign Operation of Step down subsidiaries for last year		-	2,583.28
Income Tax effect		-	-
<b>Other Comprehensive Income for the year (V)</b>		<b>16,495.94</b>	<b>461.23</b>
<b>Total Comprehensive Income for the year, net of tax attributable to (III+IV+V)</b>		<b>(15,486.04)</b>	<b>(12,194.07)</b>
<b>Profit/(loss) for the year attributable to:</b>			
Equity holders of the parent		(28,155.95)	(2,705.55)
Non-controlling interests		(3,826.03)	(420.30)
<b>Profit/(Loss) of Step down subsidiaries of last year attributable to:</b>			
Equity holders of the parent		-	(8,452.74)
Non-controlling interests		-	(1,076.71)
<b>Other Comprehensive Income for the year attributable to:</b>			
Equity holders of the parent		14,970.52	404.39
Non-controlling interests		1,525.43	56.84
<b>Earnings per share - Basic and Diluted (Nominal value Rs. 10 per share)</b>	32	<b>(625.59)</b>	<b>(60.11)</b>

Summary of significant accounting policies

1-3

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

As per our report of even date

For AGRAWAL TONDON & CO.

Chartered Accountants

Firm Registration No : 329088E

Radhakrishnan Tondon

Partner

Membership No- 060534

Place: Kolkata

Dated: 3rd December, 2022



For South City Projects (Kolkata) Ltd.

Company Secretary (M. No: F8011)

For and on behalf of Board of Directors

For South City Projects (Kolkata) Ltd.

Director (DIN: 00920819)

For South City Projects (Kolkata) Ltd.

Director (DIN: 00627506)



# South City Projects (Kolkata) Limited

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

## a. Equity Share Capital (Refer Note 15)

Equity shares of Rs 10 each issued, subscribed and fully paid	No. of shares	₹ in Lacs
At 31 March 2021	45,00,700	450.07
Issue of share capital	-	-
At 31 March 2022	45,00,700	450.07

## b. Other equity (Refer Note 16)

For the year ended 31st March, 2022

₹ in Lacs

Particulars	Reserves & Surplus				Items of OCI		Total	Non Controlling Interest	Total Equity
	Securities Premium Account	Retained Earnings	General Reserve	Capital Reserve	Remeasurement of gains/loss on Defined Benefit Plans	Foreign exchange gain/loss on translation of Foreign Operation			
As at 1 April 2021	660.00	2,026.20	20,000.00	-	(8.38)	303.12	22,980.94	(1,890.15)	21,090.79
Profit/(loss) for the year	-	(28,155.95)	-	-	-	-	(28,155.95)	(3,826.03)	(31,981.98)
Profit/(loss) of step down subsidiaries of the last year	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	(3.74)	14,974.26	14,970.52	1,525.43	16,495.94
Total Comprehensive Income for the year	-	(28,155.95)	-	-	(3.74)	14,974.26	(13,185.43)	(2,300.61)	(15,486.04)
Additions/ deductions*	-	-	-	-	-	-	-	3,898.84	3,898.84
As at 31 March 2022	660.00	(26,129.75)	20,000.00	-	(12.12)	15,277.38	9,795.50	(291.91)	9,503.59

\* Due to further purchase of shares in subsidiary non-controlling interest is reduced accordingly.

For the year ended 31st March, 2021

₹ in Lacs

Particulars	Reserves & Surplus				Items of OCI		Total	Non Controlling Interest	Total Equity
	Securities premium Account	Retained earnings	General Reserve	Capital Reserve	Remeasurement of gains/ loss on Defined Benefit Plans	Foreign exchange gain/loss on translation of Foreign Operation			
As at 1 April 2020	660.00	13,184.49	20,000.00	-	(16.88)	(92.78)	33,734.83	(449.98)	33,284.87
Profit/(loss) for the year	-	(2,705.55)	-	-	-	-	(2,705.55)	(420.30)	(3,125.85)
Profit/(loss) of step down subsidiaries of the last year	-	(8,452.74)	-	-	-	-	(8,452.74)	(1,076.71)	-
Other comprehensive income for the year	-	-	-	-	8.50	395.89	404.39	56.84	461.23
Total Comprehensive Income for the year	-	(11,158.29)	-	-	8.50	395.89	(10,753.90)	(1,440.17)	(12,194.07)
Additions/ deductions	-	-	-	-	-	-	-	-	-
As at 31 March 2021	660.00	2,026.20	20,000.00	-	(8.38)	303.12	22,980.94	(1,890.15)	21,090.79

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

As per our report of even date

For AGRAWAL TONDON & CO.

Chartered Accountants

Firm Registration No : 329088E

*Radhakrishnan Tondon*

Radhakrishnan Tondon

Partner

Membership No- 060534

Place: Kolkata

Dated: 3rd December, 2022



For South City Projects (Kolkata) Ltd.

*P. Kumar*

Company Secretary (M. No: F8011)

For and on behalf of Board of Directors

For South City Projects (Kolkata) Ltd.

*[Signature]*

Director (DIN: 00920819)

For South City Projects (Kolkata) Ltd.

*[Signature]*

Director (DIN: 00627506)

**SOUTH CITY PROJECTS (KOLKATA) LIMITED**  
**Consolidated Statement of Cash Flows for the year ended 31 March 2022**

R in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	(30,952.24)	(12,589.26)
<b>Adjustment to reconcile profit before tax to net cash flow</b>		
Depreciation & Amortisation expense	1,262.26	1,471.98
Finance costs	56,427.78	12,639.62
Share Dematerialisation & STT Expenses	5.00	0.09
Sundry Balances Written Off	4.87	-
Profit on sale of non current investments	(51.64)	(317.86)
Sundry Balances Written Back	(14.24)	(2.44)
Fair value (gain)/loss on financial assets	(24.25)	(22.82)
Interest Income	(1,671.29)	(1,504.57)
<b>Operating profit before working capital changes</b>	<b>24,986.24</b>	<b>(325.26)</b>
Add: Decrease in working capital		
<b>Adjustments for-</b>		
<b>Decrease/(Increase) in Working Capital</b>		
Inventories	99,739.92	(28,637.19)
Trade Receivables	(8,422.12)	(100.85)
Trade Payables	4,784.81	(298.98)
Loans, Deposits and Other Financial Assets	(17,454.34)	15,934.71
Other Current and Non Current assets	23,132.66	(11,469.44)
Other Financial Liabilities	(10,797.64)	3,249.90
Provisions	(4,282.14)	4,740.32
Other Current and Non Current Liabilities	(70,026.31)	6,015.89
<b>Cash generated in operations</b>	<b>41,661.08</b>	<b>(10,890.90)</b>
Income Tax Paid (net of refund)	1,029.74	66.04
<b>Net Cash inflow from Operating Activities</b>	<b>40,631.34</b>	<b>(10,956.93)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest Received	1,671.29	1,504.57
Investment in Fixed Deposits (Net)	(0.13)	4,024.97
Sale of Non current Investments	(2,124.89)	13,372.40
	<b>(453.73)</b>	<b>18,901.94</b>
<b>Less :</b>		
Purchase of Property, Plant & Equipment	1,957.43	(881.44)
Purchase of Non current Investments	75.22	63.72
Share Dematerialisation & STT Expenses	5.00	0.09
<b>Net cash flow from Investing Activities</b>	<b>(2,491.38)</b>	<b>19,719.57</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loan Taken/(Repaid)	3,434.61	4,542.28
Interest paid	(56,427.78)	(12,639.62)
Non-controlling interests		
<b>Net cash flow from Financing Activities</b>	<b>(52,993.17)</b>	<b>(8,097.34)</b>
<b>D. FOREIGN CURRENCY TRANSLATION RESERVE:</b>		
	16,495.95	461.23
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>1,642.74</b>	<b>1,126.51</b>
Cash and Cash Equivalents at the beginning of the year (Refer note-14.1)	1,686.25	559.74
Cash and Cash Equivalents at the end of the year (Refer note-14.1)	3,328.99	1,686.25





**Notes :**

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement

(b)

Particulars	Rs in Lacs	
	As at 31.03.2022	As at 31.03.2021
Cash and Cash Equivalants comprises of		
Cash in hand	6.58	7.01
Cheques in Hand		-
Balances with banks:		
– On current accounts	3,322.06	1,588.91
– Deposits with original maturity of less than three months	0.35	90.33
<b>Cash and Cash Equivalants in Cash Flow Statement</b>	<b>3,328.99</b>	<b>1,686.25</b>

**Ammendment to Ind AS 7**

The amendments to Ind As - 7 Cash Flow Statements requires the entities to provide disclosure that enable users of financial statements to evaluate

Particulars	As at 31st March 2021	Cash Flow	Fair Value Changes	As on 31st March 2022
Borrowings- Non Current	84,633.88	(10,821.67)	-	73,812.21
Borrowings- Current	22,676.63	19,817.56	-	42,494.19

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

As per our report of even date

For AGRAWAL TONDON & CO.

Chartered Accountants

Firm Registration No : 329088E

*Radhakrishnan Tondon*

Radhakrishnan Tondon

Partner

Membership No- 060534

For South City Projects (Kolkata) Ltd.

*R. Agneel*

Company Secretary (M. No: F8011)

For and on behalf of Board of Directors

For South City Projects (Kolkata) Ltd.

*[Signature]*

Director (DIN: 00920819)

For South City Projects (Kolkata) Ltd.

*[Signature]*

Director (DIN: 00627506)

Place: Kolkata

Dated: 3rd December, 2022



## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

#### **1. Corporate Information**

The Consolidated Financial Statements comprised Financial Statements of South City Projects (Kolkata) Limited (the Company) and its Subsidiaries and Joint Venture (collectively, the Group) for the year ended 31 March 2022.

The Holding Company is a Public limited Company established in 1995 under the Companies Act applicable in India. The Holding Company is engaged in the business of real estate development and also provides rental services, maintenance services which are related to the overall development of real estate business. The Holding Company is domiciled in India and has its registered office at 375, Prince Anwar Shah Road, Jadavpur, Kolkata – 700068.

#### **2. Basis of Preparation of financial statements**

##### **a) Compliance with INDAS**

For all periods up to and including the year ended 31 March 2022, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The financial statements comply in all material aspects with Indian Accounting Standards ("Ind-AS") notified under section 133 of The Companies Act, 2013 read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements were approved for issue in accordance with a resolution of the Board of directors on 03<sup>rd</sup> December 2022.

##### **b) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b. Exposure, or rights, to variable returns from its involvement with the investee, and
- c. The ability to use its power over the investee to affect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial





## SOUTH CITY PROJECTS (KOLKATA) LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

In term of Ind AS 110 - "Consolidated Financial Statements", the financial statements of the Company and its subsidiaries are combined on a line- by- line basis by adding together the book/ fair value of like items like assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized Profit/ Loss included therein. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The difference of the cost of the Group of its Investment in Subsidiaries over its proportionate share in the equity of the respective investee companies as at the date of acquisition of stake is recognised in the Financial Statement as Goodwill or Capital Reserve, as the case may be.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

#### c) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with the accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis, except for certain assets and liabilities which have been measured at fair values as explained in relevant accounting principles.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.



## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

#### **3. Summary of Significant Accounting Policies**

##### **3.1. Current and Non-Current classification**

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as sixty months for ongoing projects and twelve months in case of completed projects for the purpose of current- non-current classification of assets and liabilities. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### **3.2. Foreign Currencies**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

Transactions in foreign currencies are initially recorded in by the Group at spot rates at the functional currency spot rate (i.e. INR) at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit & Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items due to fair valuation is recognised in OCI or profit or loss, respectively).

##### **3.3. Fair Value Measurement**

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:

- a) In the principal market for the asset or liability, or
- b) 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 Group.

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 best economic interest.





## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

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 Group 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.

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:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **3.4. Use of Estimates**

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

#### **3.5. Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **3.6. Property, Plant and Equipment**

Property, plant and equipment and capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working



## SOUTH CITY PROJECTS (KOLKATA) LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation is provided on Written down value method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided on prorate basis on written down value method at the rates determined based on estimated useful lives of property, plant and equipment where applicable. However, leasehold land is depreciated over lease period on straight line basis.

Asset	Useful Life
Building	60
Sale Centre Building	06
Plant & Equipment	15
Electrical Installation & Equipment	10
Furniture & Fittings	10
Vehicles	8
Office Equipment	3-5
Fire Protection System	5

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.

### 3.7. Intangible Assets

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life of three years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and are charged to Statement of Profit and Loss for the year during which such expenditure is incurred.





## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

#### **3.8. Capital work-in-progress and intangible assets under development**

Capital work-in-progress and intangible assets under development are carried at cost. Cost includes land, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

#### **3.9. Investment Property**

Management has assessed applicability of Ind AS 40 - Investment Property to the property held to earn income from rentals. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. The Group considers these other services as significant in addition to the charged. Based on such assessment, the management has considered the mall property as owner occupied property and hence classified as Property, Plant & Equipment.

#### **3.10. Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

#### **3.11. Inventories**

Raw materials, Construction work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost of inventories comprise all cost of purchase including cost of land, borrowing cost, development costs and other cost incurred in bringing them to their present location and condition. The cost, in general, is determined using weighted average cost method.

Contract cost incurred related to future activity of the contract are recognised as an asset provided it is probable that they will be recovered during the contract period. Such costs represent the amount due from customer and are often classified as Construction work-in-progress.

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



## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

#### **3.12. Revenue and Other Income**

Revenue is recognized when it is probable that the economic benefits will flow to the Group and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Group applies the revenue recognition criteria to each nature of revenue transaction as set-out below:

##### **Revenue from contracts with customers**

The Company has adopted IND AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under IND AS 115, revenue is recognised on satisfaction of performance obligation at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has elected to apply the Cumulative catch up method in adopting IND AS 115. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

##### **Revenue from Operating Lease**

Income from properties is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. If not received at balance date, revenue is reflected on the balance sheet as a receivable and carried at its recoverable amount.

##### **Revenue from Maintenance Services**

Revenue is recognised on satisfaction of performance obligation at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring services to a customer.

##### **Revenue from Real Estate**

In case of Real Estate Sales where Agreement of Sale is executed for under constructed properties, revenue in respect of individual contracts is recognised when performance on the contract is considered to be completed and it is probable that the economic benefits will flow to the Company.

##### **Disaggregation of Revenue**

Note 24 presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 by performance obligation. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors:





## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

#### **3.13. Employee Benefits**

##### **I. Defined Contribution Plan**

###### **a. Provident Fund**

Contributions in respect of all Employees are made to the Regional Provident Fund as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to the Statement of Profit and Loss as and when services are rendered by employees. The Group has no obligation other than the contribution payable to the Regional Provident fund.

##### **II. Defined Benefit Plan**

###### **a. Gratuity**

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Current Service cost and Interest component on the Group's defined benefit plan is included in employee benefits expense. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

##### **III. Long Term Compensated Absences**

The Group treats accumulated leave to the extent such leave are carried forward as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Current Service cost and Interest component arising out of such valuation is included in employee benefits expense. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### **3.14. Leases**

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



## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

#### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment

##### **ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, 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.

The Company's lease liabilities are included in Interest-bearing loans and borrowings

##### **iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of Land & building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.





## SOUTH CITY PROJECTS (KOLKATA) LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same.

#### 3.15. Taxes on Income

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets 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 reassessed 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 offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for



## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

#### **3.16. Provisions and Contingencies**

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

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 recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group 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. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

#### **3.17. Borrowing Costs**

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

#### **3.18. Earnings per Share**

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

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.





## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

#### **3.19. 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.

##### **A. Financial assets**

###### **i. 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.

###### **ii. Subsequent measurement**

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

- a. Debt instruments at amortised cost
- b. Equity instruments measured at fair value through other comprehensive income FVTOCI

###### **Debt instruments at amortised cost other than derivative contracts**

A 'debt instrument' 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 fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

###### **Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value other than equity investments measured at deemed cost on first time adoption of Ind AS. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.



## SOUTH CITY PROJECTS (KOLKATA) LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred substantially all the risks and rewards of the asset

#### iv. Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:





## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group 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.

#### **B. Financial liabilities**

##### **i. Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, investment in subsidiaries and joint ventures, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### **ii. Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.



## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

#### **Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of 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. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### **Trade receivables and Contract Balances**

The company classifies the right to consideration in exchange for deliverables as either a receivable or as Contract Asset. A receivable is a right to consideration that is unconditional upon passage of time. Revenue are recognized as related service are performed. Revenues in excess of billings is recorded as Contract Asset and is classified as a financial asset for the cases as right to consideration is unconditional upon passage of time. As per assessment of contracts, the right to receive the payment is established once the services are performed.

A contract liability is the company's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

#### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year. The amounts are generally unsecured. Trade and other payables are presented as current liabilities unless payment is not due within the Company's operating cycle. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.





## **SOUTH CITY PROJECTS (KOLKATA) LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

#### **De-recognition**

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 de-recognition 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 and loss.

#### **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 the assets and settle the liabilities simultaneously.

#### **3.20. Operating Segments**

The Business process and Risk Management Committee of the Group, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Group. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Group has identified that Chief Operating Decision Maker function is being performed by the Business process and Risk Management Committee. The financial information presented to the Business process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis. The Group's business activity falls within three reportable business segment viz. 'Real estate projects development', 'rental activities' and 'others - unallocated'. The sales being operated wholly in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

#### **3.21. Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.



Note 4.1 - Property, Plant and Equipment (Current Year)

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block	
	As at 01-04-2021	Adjustment due to translation	Additions*	Disposals/ Adjustments	As at 31-03-2022	As at 01-04-2021	Adjustment due to translation	For the year	Disposals/ Adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Operating Lease	19,688.60	(11.33)	400.12	3,116.64	16,960.75	3,516.60	(10.76)	843.71	754.52	3,595.04	13,365.71	16,171.99
Office Space	226.88	-	-	-	226.88	32.81	-	9.43	-	42.26	184.62	194.07
Others	512.65	(173.29)	-	-	339.36	512.87	(174.27)	0.76	-	339.36	-	(0.22)
Plant & Equipments	2,386.77	(1.39)	3.16	359.86	2,028.68	1,492.12	(1.39)	183.16	249.12	1,424.77	603.91	894.65
Fire Protection System	186.10	-	-	14.65	171.45	128.10	-	16.37	8.34	136.33	35.12	58.00
Electrical Installation & Equipments	938.99	-	-	93.66	845.33	573.01	-	70.24	73.39	569.86	275.47	365.58
Furniture and Fixtures	864.87	(54.46)	0.66	15.15	795.93	528.03	(52.88)	84.21	12.40	546.95	248.97	336.85
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
Finance Lease	31.50	-	-	12.18	19.32	23.67	-	2.44	10.89	15.22	4.10	7.83
Others	23.89	-	27.72	-	51.61	16.79	-	2.38	-	19.17	32.44	7.10
Office Equipment	354.60	(2.75)	2.79	0.72	353.92	281.74	(2.06)	30.34	0.32	309.70	44.22	72.86
<b>TOTAL</b>	<b>25,214.85</b>	<b>(243.21)</b>	<b>434.44</b>	<b>3,612.86</b>	<b>21,793.22</b>	<b>7,105.76</b>	<b>(241.36)</b>	<b>1,243.27</b>	<b>1,108.98</b>	<b>6,998.68</b>	<b>14,794.58</b>	<b>18,109.14</b>

Note 4.2 - Capital Work in Progress (Current Year)

Particulars	Gross Block at Cost			
	As at 01-04-2021	Additions	Capitalisation/ Adjustment	As at 31-03-2022
Capital Work in Progress	9,163.15	926.91	(1,696.91)	11,786.97
<b>TOTAL</b>	<b>9,163.15</b>	<b>926.91</b>	<b>(1,696.91)</b>	<b>11,786.97</b>

\* Ageing Schedule Note No.53

Note 4.3 - Investment Property

Note 4.3 - Investment Property												
Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block	
	As at 01-04-2021	Adjustment due to translation	Additions	Deletions	As at 31-03-2022	As at 01-04-2021	Adjustment due to translation	For the Year	On Deletions (Accumulated upto the date of sale)	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Investment Property	104.64	(35.37)	4,184.10	-	4,253.36	4.28	(1.49)	1.98	-	4.77	5,121.84	100.35
TOTAL	104.64		4,184.10	-	4,253.36	4.28		1.98	-	4.77	5,121.84	100.35

Note 4.4 - Intangible Assets (Current Year)

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block	
	As at 01-04-2021	Adjustment due to translation	Additions	Deletions	As at 31-03-2022	As at 01-04-2021	Adjustment due to translation	For the Year	On Deletions (Accumulated upto the date of sale)	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Computer Software	40.73	(5.07)	0.10	-	35.76	33.01	(4.47)	4.44	-	32.99	2.77	7.72
<b>TOTAL</b>	<b>40.73</b>	<b>(5.07)</b>	<b>0.10</b>	<b>-</b>	<b>35.76</b>	<b>33.01</b>	<b>(4.47)</b>	<b>4.44</b>	<b>-</b>	<b>32.99</b>	<b>2.77</b>	<b>7.72</b>

Note 4.5 - Right to use of Assets

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block	
	As at 01-04-2021	Adjustment due to translation	Additions	Disposals / Adjustments	As at 31-03-2022	As at 01-04-2021	Adjustment due to translation	For the year	Disposals / Adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Land	10,965.24	(3,389.88)	-	3,928.86	3,646.49	1,006.54	(330.16)	81.39	44.15	713.62	2,932.87	9,958.70
<b>TOTAL</b>	<b>10,965.24</b>	<b>(3,389.88)</b>	<b>-</b>	<b>3,928.86</b>	<b>3,646.49</b>	<b>1,006.54</b>	<b>(330.16)</b>	<b>81.39</b>	<b>44.15</b>	<b>713.62</b>	<b>2,932.87</b>	<b>9,958.70</b>

\* Opening figures has been restated due to regrouping of Other Current Assets to Right to use of Assets.

Note 4.6 - Assets Classified as held for sale

₹ in Lacs

Particulars	Gross Block at Cost					Depreciation / Amortisation					Net Block	
	As at 01-04-2021	Adjustment due to translation	Additions	Disposals / Adjustments	As at 31-03-2022	As at 01-04-2021	Adjustment due to translation	For the year	Disposals / Adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Leasehold Land	-	-	892.24	-	892.24	-	-	-	-	-	892.24	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Operating Lease	-	-	2,362.12	-	2,362.12	-	-	-	-	-	2,362.12	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipments	-	-	110.74	-	110.74	-	-	-	-	-	110.74	-
Fire Protection System	-	-	6.31	-	6.31	-	-	-	-	-	6.31	-
Electrical Installation & Equipmen	-	-	20.27	-	20.27	-	-	-	-	-	20.27	-
Furniture and Fixtures	-	-	2.75	-	2.75	-	-	-	-	-	2.75	-
Right to use of Assets	-	-	0.35	-	0.35	-	-	-	-	-	0.35	-
Office Equipment	-	-	0.40	-	0.40	-	-	-	-	-	0.40	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3,395.18</b>	<b>-</b>	<b>3,395.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,395.18</b>	<b>-</b>

Note : The Company intends to sale South City Pinnacle (IT Park), as such it has been classified as assets held for sale

Note 5 - Goodwill on Consolidation

Particulars	Gross Block at Cost				Depreciation / Amortisation					Net Block	
	As at 01-04-2021	Additions		As at 31-03-2022	As at 01-04-2021	For the year		Upto 31-03-2022		As at 31-03-2022	As at 31-03-2021
Goodwill	1.94	3,898.84		3,900.78	-			-		3,900.78	1.94
<b>TOTAL</b>	<b>1.94</b>	<b>3,898.84</b>	<b>-</b>	<b>3,900.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,900.78</b>	<b>1.94</b>





# South City Projects (Kolkata) Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

## NOTE 6: NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	No. of Shares/ Units/ Debentures		Nominal Value per Share/ Unit	(Rs. in lacs)	
	2021-22	2020-21		As at March 31, 2022	As at March 31, 2021
<b>At Deemed Cost</b>					
<i>Equited shares-Unquoted</i>					
<b>In Others</b>					
Bengal Electric Works Ltd. #	1,500	1,500	30	-	-
Bengal Lamp Ltd. #	17,833	17,833	10	-	-
Berlex India Ltd. #	1,999	1,999	10	-	-
<b>Equited shares-Unquoted</b>					
South City International School	15,300	15,300	10	1.53	1.53
<b>Investment in Partnership Firm</b>					
South City Anmoi Infra Park LLP (Capital)				138.00	138.00
<b>Investment in Bond</b>					
7.07 HUDCO Bond			1,00,000	2,178.91	-
<b>At Fair Value through Profit &amp; Loss:</b>					
<b>In Units of Mutual Fund - Quoted**</b>					
<b>Quoted</b>					
KOTAK CREDIT RISK FUND - GROWTH (REGULAR PLAN)	15,93,386	1,02,45,202	10	393.23	371.35
<b>TOTAL</b>				<b>393.23</b>	<b>371.35</b>
				<b>2,711.67</b>	<b>510.88</b>
<b>Aggregate amount of Quoted Investments</b>				393.23	371.35
<b>Aggregate market value of Quoted Investments</b>				393.23	371.35
<b>Aggregate amount of Unquoted Investments</b>				2,318.44	139.53

# The shares are pending transfer in Company's name.

\*\* Represents securities pledged with Banks and Others as security against Loans

## NOTE 7: CURRENT INVESTMENTS

	Face Value per Share/ Unit		(Rs. in lacs)	
	2021-22	2020-21	As at March 31, 2022	As at March 31, 2021
<b>At Fair Value through Profit &amp; Loss:</b>				
<b>In Units of Mutual Fund - Quoted</b>				
Nippon India Liquid Fund-Direct Plan-Growth Option (LFAGG)	1,172.63	1,172.63	172.30	108.52
<b>Investment in Govt. Bonds</b>				
8.17% GOI 2044 (No. of Bonds 95,000 Units)	95,000	95,000	111.44	100.00
<b>Aggregate value of Current Investments</b>			<b>283.74</b>	<b>208.52</b>

## NOTE 8: TRADE RECEIVABLES (At amortised cost)

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Trade Receivables</b>				
Unsecured, Considered good	309.46	562.53	10,128.87	1,453.68
<b>TOTAL</b>	<b>309.46</b>	<b>562.53</b>	<b>10,128.87</b>	<b>1,453.68</b>
* Ageing Schedule Note No.54				



**South City Projects (Kolkata) Limited**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**NOTE 9: LOANS (At amortised cost)**

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Security Deposits	-	167.42	36.88	57.86
Loans to related parties (Refer Note 40)	-	-	-	-
Considered Good	-	-	-	-
Loans to others	-	-	1,102.30	2,482.88
Other Loans	-	-	400.00	3,746.29
<b>TOTAL</b>	-	167.42	1,539.17	6,287.04

Loans and receivables are non- derivative financial assets which generate a fixed or variable interest income for the Group. The Carrying value may be affected by changes in the credit risk of the counterparties.

**NOTE 10: OTHER FINANCIAL ASSETS (at Amortised Cost)**

(Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Advances to Related Parties (Refer Note 40)	934.18	1,205.06	271.08	20.80
Interest Receivable	1,503.18	1,032.25	114.74	381.54
Term Deposits with maturity of more than twelve months *	23,778.62	1,760.00	-	-
Security deposits	167.47	-	-	-
<b>TOTAL</b>	26,383.46	3,997.31	385.82	402.34

\* Pledge with bank as security against loan taken by the subsidiary- Indocan Developers Pvt Ltd

**NOTE 11: CURRENT TAX ASSETS / (LIABILITIES) - NET**

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Current Tax Assets / (Liabilities) - Net	-	-	2,767.29	1,500.61
<b>TOTAL</b>	-	-	2,767.29	1,500.61

**NOTE 12: OTHER ASSETS**

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Capital Advances	-	237.40	-	-
Advances other than capital advances	-	-	-	-
Joint Development Agreement	5,071.39	5,768.23	-	-
Advances for Projects, Expenses etc.	-	-	995.58	808.36
Advance tax (net of Provision for tax)	-	-	0.16	0.10
Prepaid expenses	203.38	1,185.51	230.84	391.61
Balances with statutory / government authorities	-	-	1,051.40	1,005.19
Advance given to Suppliers and Contractors	-	-	1,516.84	1,959.86
Other Advances	-	-	205.34	484.40
<b>TOTAL</b>	5,274.77	7,191.13	4,000.15	4,649.53
* Opening figures has been restated due to regrouping of Other Current Assets to Right to use of Assets.				

**NOTE 13: INVENTORIES**

(Valued at lower of Cost and Net Realisable Value)

	Current	
	As at March 31, 2022	As at March 31, 2021
Raw materials and Consumables	362.98	552.92
Construction Work - in - progress	-	-
Land	3,595.52	2,007.15
Others	11,479.16	1,54,399.91
Finished Goods	53,460.16	11,677.77
<b>TOTAL</b>	68,897.83	1,68,637.75





## NOTE 14: CASH AND CASH EQUIVALENTS

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>14.1 Cash and cash equivalents*</b>				
Balances with banks :				
On current accounts	-	-	3,322.06	1,588.91
Deposits with original maturity of less than three months	-	-	0.35	90.33
Cash on hand	-	-	6.58	7.01
<b>TOTAL (A)</b>	-	-	<b>3,328.99</b>	<b>1,686.25</b>
<b>14.2 Other bank balances</b>				
Balances with banks :				
Term Deposits with maturity of more than three months but less than twelve months	-	-	38.04	37.91
Term Deposits with maturity of more than twelve months **	-	21,836.26	-	-
<b>TOTAL (B)</b>	-	<b>21,836.26</b>	<b>38.04</b>	<b>37.91</b>
<b>TOTAL (A + B)</b>	-	<b>21,836.26</b>	<b>3,367.03</b>	<b>1,724.16</b>

\* The above are considered as Cash and Cash equivalents for the purpose of Statement of Cash flows

\*\* Represents Fixed Deposits pledged with banks as security against loans

## NOTE 15: SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
<b>Authorized capital</b>		
50,00,000 Equity Shares of Rs. 10 each	500.00	500.00
(P.Y. 50,00,000 Equity Shares of Rs. 10 each)		
<b>TOTAL</b>	<b>500.00</b>	<b>500.00</b>
<b>Issued, subscribed and paid-up capital</b>		
45,00,700 Equity Shares of Rs. 10 each fully paid up in cash	450.07	450.07
(P.Y. 45,00,700 Equity Shares of Rs. 10 each fully paid up in cash)		
<b>TOTAL</b>	<b>450.07</b>	<b>450.07</b>

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

## Equity Shares

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	45,00,700	450.07	45,00,700	450.07
Issued during the Year	-	-	-	-
Outstanding at the end of the year	<b>45,00,700</b>	<b>450.07</b>	<b>45,00,700</b>	<b>450.07</b>

## b. Terms/ rights attached to equity shares

The Group has only one class of Equity Shares having a par value of Rs 10 each. Holder of each Equity Share is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c. Details of shareholders holding more than 5% equity shares of the Group

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Shrachi Developers Pvt Ltd	4,50,071	10.00%	4,50,071	10.00%
Park Chambers Ltd	4,25,105	9.45%	4,25,105	9.45%
Merlin Projects Ltd	3,90,955	8.69%	3,90,955	8.69%
Jugal Kishore Khetawat	3,86,334	8.58%	3,86,334	8.58%
Jugal Kishore Khetawat -Trustee of Khetawat Family Welfare Trust	3,26,335	7.25%	3,26,335	7.25%
Vinayak Dealers (P) Ltd	2,92,000	6.49%	2,92,000	6.49%
Pan Emami Cosmed Ltd	2,54,225	5.65%	2,54,225	5.65%

As per records of the Group, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

## Shareholding of Promoter

Shareholder's Name	As at March 31, 2022		As at March 31, 2021		% change in shareholding during the year
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
Shri Radhe Shyam Agarwal	27111	0.60	27100	0.60	0.00
Shri Radhe Shyam Goenka	3289	0.07	13300	0.30	0.23
Shri Jugal Kishore Khetawat	386334	8.58	386334	8.58	NIL
Shri Pradeep Kumar Sureka	51335	1.14	51335	1.14	NIL
Shri Sushil Kumar Mohta	182000	4.04	182000	4.04	NIL
Shri Rajendra Kumar Bachawat	148000	3.29	148000	3.29	NIL
Shri Ravi Todi	NIL	NIL	NIL	NIL	NIL



# South City Projects (Kolkata) Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

## NOTE 16 : OTHER EQUITY

	(Rs. in lacs)	
	As at March 31, 2022	As at March 31, 2021
<b>Reserves &amp; Surplus</b>		
A. Securities premium account (as per the last financial statements)	660.00	660.00
B. General reserve (as per the last financial statements)	20,000.00	20,000.00
C. Other Comprehensive Income - FVTOCI reserve (net of tax)	15,265.25	294.74
D. Retained Earnings (movements given below)	(26,129.75)	2,026.20
<b>Total - Other equity</b>	<b>9,795.50</b>	<b>22,980.94</b>

### Movement in Retained Earnings

	(Rs. in lacs)	
	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>		
Add: Profit for the year	2,026.20	13,184.49
Add: Dividend and Related taxes	(28,155.95)	(11,158.29)
Add: Other Adjustments	-	-
<b>Closing Balance</b>	<b>(26,129.75)</b>	<b>2,026.20</b>

**Capital Reserve-** The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction in accordance with Ind AS 110. Any excess or deficit of fair value of consideration paid over the carrying amount of the non-controlling interests is recognised in equity of the parent in transactions where the non-controlling interests are acquired or sold without loss of control. The Group has elected to recognise this effect in the capital reserve.

**Securities Premium Account-** Premium received on equity shares issued are recognised in the securities premium account.

**General Reserve -** Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid capital of the Group for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

**Retained Earnings -** Retained earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition, remeasurement gains/ losses on defined benefit obligations.

**FVTOCI Reserve -** Net gain/(loss) on remeasurement of defined benefit liability comprising of actuarial gain and losses and return on plan assets (excluding interest income).

## NOTE 17 : BORROWINGS

	(Rs. in lacs)	
	Non-current	
	As at March 31, 2022	As at March 31, 2021
<b>Term loans</b>		
From banks (Refer note 17.1)	73,812.21	84,633.88
Long Term Maturities of Finance Lease Obligations (Refer note 17.1)	0.35	3.10
<b>Unsecured</b>		
<b>Term loans</b>		
From related parties	70.59	1,434.51
<b>Compound financial Instruments</b>		
<b>TOTAL</b>	<b>73,883.16</b>	<b>86,071.50</b>

### Borrowing included in Other Financial Liabilities

	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>Term loans</b>		
from banks and NBFC (Refer note 17.1)	-	11,804.71
<b>Finance Lease Obligations</b>		
	-	3.39
<b>TOTAL</b>	<b>-</b>	<b>11,808.10</b>





## Terms &amp; Conditions

Bank from whom Loan is availed	Current Portion of Loan as on 31.03.2022	Current Portion of Loan as on 31.03.2021	Non Current Portion of Loan as on 31.03.2022	Non Current Portion of Loan as on 31.03.2021	Interest (p.a. basis)	Installment Amount	Security Provided to avail Loan
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs		₹ in Lacs	
<b>(a) Term Loans From Banks</b>							
Kotak Bank	412.18	333.42	4,587.22	4,426.34	6M MCLR + 0.5 %	102 equal monthly installment of Rs. 68.43 (inclusive of	1) Ground Floor to 13th floor of South City "Pinnacle" situated at Plot No. XI-1, Block EP, Sector V, Salt Lake, Kolkata - 700 091.
Axis Bank	-	1,913.76	-	31,561.18	1Y MCLR + 0.35%	xx	1) First Pari-passu charge over entire Property assets including the Property land, buildings and any other moveable and immoveable assets of the Property with a minimum security cover of 1.50x 2) First Pari Passu charge over Property Collections generated from the Property which will be deposited in the Designated Bank Account. 3) Charge over bank accounts of the Borrower including Designated Bank Account, Current Account and ISRA Account.
ICICI Bank	2,832.00	-	3,139.86	-	1Y MCLR + Spread	36 structured monthly installment	1) An exclusive charge on leasehold property together with all buildings & structure, both present & future. 2) An exclusive charge by way of hypothecation on receivables of the project. 3) An exclusive charge on project Escrow & DSR Account.
ICICI Bank	2,457.55	-	36,163.25	-	1Y MCLR + Spread	128 structured monthly installment	1) First charge on the property together with all buildings & structure, both present & future. 2) First charge over the receivables from the property. 3) First charge on Escrow & DSR Account of the borrower.
Standard Chartered Bank	2,033.41	1,105.81	29,921.88	23,878.02	1Y MCLR + Spread	128 structured monthly installment	1) First pari passu charge by way of Equitable Mortgage over the property, to be shared only with the SBLC/TL facilities already availed from Axis Bank Ltd. 2) First pari passu charge over the cash flows of the Mall.
Standard Chartered Bank, Colombo	8,720.08	-	-	8,901.12	1month LIBOR + 1.25 % per annum	-	US Dollar term Loan from Standard Chartered Bank, Colombo amounting to USD 11.5 million, at the rate of 1 month LIBOR + 1.25 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd and its parent company AA Infraproperties Pvt. Ltd (that the loan will be fully payable on December 2022).
Standard Chartered Bank, Singapore	15,544.48	-	-	15,867.22	1month LIBOR + 1.4 % per annum	-	US Dollar term Loan from Standard Chartered Bank, Singapore amounting to USD 20.5 million, at the rate 1month LIBOR + 1.4 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd (that the loan will be fully payable on October 2022).
<b>TOTAL (a)</b>	<b>31,999.70</b>	<b>3,352.99</b>	<b>73,812.21</b>	<b>84,633.89</b>			
<b>(B) Loans From NBFC</b>							
Axis Finance	-	-	-	8,451.73	-	11 structured quarterly installment within Jun'2023	1) Entire land at measuring 2.5 acre along with constructive Business Park having salable area of 281589 sq.ft. 2) First & exclusive charge of hypothecation of the receivable / cash flow from Business Park forming part of security. 3) First & exclusive charge on escrow a/c of the project.
<b>(c) Finance Lease Obligations</b>							
HDFC Bank	1.64	2.03	-	1.64	9.45%	0.44	Hypothecation of Creta & Polo Vehicle.
Toyota Financial	1.46	1.36	-	1.46	7.50%	0.13	Hypothecation of Etios Vehicle.
<b>TOTAL (b)</b>	<b>3.10</b>	<b>3.39</b>	<b>-</b>	<b>3.10</b>			



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

	(Rs. in lacs)	
	Current	
	As at March 31, 2022	As at March 31, 2021
<b>Trade Payables :</b>		
- Total outstanding dues of Micro & Small Enterprises (See Note 38)	1.37	0.91
- Total outstanding dues of creditors other than Micro & Small Enterprises	8,849.15	4,074.17
<b>Total Trade Payables</b>	<b>8,850.51</b>	<b>4,075.08</b>
<b>* Ageing Schedule Note No.55</b>		

	(Rs. in lacs)			
	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits				
Gratuity (Refer Note 37)	189.96	279.71	33.66	36.49
Leave encashment (Refer Note 37)	87.81	101.65	18.39	23.61
Provision for customer compensation			469.90	4,200.54
Provision for rental guarantee			-	439.87
Total	277.78	381.36	521.95	4,700.51

		(Rs. in lacs)	
		Current	
		As at March 31, 2022	As at March 31, 2021
<b>Secured</b>			
Bank Overdraft			
Current maturities of long-term borrowings		25,085.53	7,014.50
Current maturities of finance lease obligations		7,735.14	
Term Loan from Bank / Loan from NBFC		3.10	
		9,670.42	15,662.13
<b>Unsecured</b>			
From Related Parties and Bodies Corporates		6,128.49	11,224.35
From Directors		1,000.00	98.75
<b>TOTAL</b>		<b>49,622.68</b>	<b>33,999.73</b>

	(Rs. in lacs)			
	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Current maturities of long-term borrowings (Note 17.1)	-	-	-	11,804.71
Current maturities of Finance Lease Obligations (Note 17.1)	-	-	-	3.39
Security deposits received	-	-	414.71	459.55
Retention	807.41	989.36	839.52	1,032.33
Other Financial Liabilities	0.40	0.75	3,890.80	2,239.62
Interest accrued and due on borrowings	-	-	35.88	35.37
Interest accrued and not due on borrowings	-	-	25.82	0.03
Amount payable to Contractors	-	-	95.76	342.83
<b>TOTAL</b>	<b>807.80</b>	<b>990.12</b>	<b>5,302.50</b>	<b>15,917.83</b>

	(Rs. in lacs)			
	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Security Deposit Received	7,449.02	6,875.55	168.22	163.94
Contract Liability	-	-	1,532.36	80,348.65
Statutory dues	-	-	1,810.86	1,579.40
Other Current Liabilities	13.35	-	7,695.03	201.62
<b>TOTAL</b>	<b>7,462.37</b>	<b>6,875.55</b>	<b>11206.46</b>	<b>82,293.62</b>





South City Projects (Kolkata) Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE 23 : DEFERRED TAX ASSETS / (LIABILITIES)

	(Rs. in lacs)	
	NON - CURRENT	
	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets</b>		
Tax impact due to difference between tax depreciation and book depreciation	11.16	16.67
Provision for Gratuity	43.32	47.72
Provision for Leave Encashment	26.84	36.42
Others through OCI	4.62	2.98
Municipal Tax	306.74	286.28
	<b>392.68</b>	<b>390.06</b>
<b>Deferred tax Liabilities</b>		
Fair valuation of Mutual Funds	5.00	5.03
	<b>5.00</b>	<b>5.03</b>
<b>Net Deferred Tax Asset/ (Liabilities)</b>	<b>387.67</b>	<b>385.03</b>
<b>Disclosed as follows:</b>		
Gross Deferred Tax Assets	387.67	385.02
Gross Deferred Tax Liabilities	483.06	9.04

NOTE 24 : REVENUE FROM OPERATIONS

	(Rs. in lacs)	
	2021-22	2020-21
<b>Operating Revenue</b>		
<b>Sale of Products</b>		
Revenue from Land & Constructed Properties	93,022.61	2,004.98
Revenue from Sale of LPG Gas	5.42	4.40
<b>Sale of Services</b>		
Rental Income	12,788.75	8,686.27
Maintenance Services	2,804.15	2,640.88
<b>Other Operating Revenue</b>		
Others	439.73	31.46
<b>TOTAL</b>	<b>1,09,060.67</b>	<b>13,368.00</b>

NOTE 25 : OTHER INCOME

	(Rs. in lacs)	
	2021-22	2020-21
Interest income	1,671.29	1,504.57
Interest Income on Loan to Subsidiary	-	(0.02)
Profit on sale of Mutual Fund	22.62	2.60
Recovery of Rates and taxes	56.34	-
Net Gain on Sale of Investments	51.64	317.86
Net foreign exchange gain	4,547.12	78.35
Profit on disposal of Fixed asset (CAR)	3.29	0.28
Interest- Others	7.13	-
Fair value change of Investments measured at FVTPL	24.25	22.82
Sundry Balances Written Back	15.14	1,034.87
Reversal of Expected Credit Loss	407.08	-
Compensation Received	38.89	-
Miscellaneous Income	449.06	326.55
<b>Total</b>	<b>7,293.86</b>	<b>3,287.39</b>

NOTE 26 : CONSTRUCTION COSTS

	(Rs. in lacs)	
	2021-22	2020-21
Salaries, Wages & Bonus	103.00	80.92
Contribution to Provident & Other Funds	3.97	3.69
Staff Welfare Expenses	0.28	0.11
Power & Fuel	17.25	17.76
Repairs		
Others	1.99	1.76
Insurance	5.12	5.14
Rates & Taxes	0.88	1.29
Land	0.18	0.00
Materials Consumed	372.76	437.99
Construction Expenses	9,394.17	9,364.94
Other Operating Expenses	147.76	53.81
Consultancy & Retainership Charges	10.77	-
Revenue Share (Joint Development Cost)	2,167.39	-
<b>TOTAL</b>	<b>12,225.53</b>	<b>9,967.43</b>



**South City Projects (Kolkata) Limited**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**NOTE 27 : (Increase) / Decrease in Inventories**

	(Rs. in lacs)	
	2021-22	2020-21
<b>Inventories at the end of the year:</b>		
Finished Goods	9,883.88	11,677.77
Construction work in Progress		
Land	3,595.52	2,007.15
Others	60,703.20	1,54,399.91
Less: Adjustment due to translation	-	-
<b>Inventories at the beginning of the year:</b>		
Finished Goods	(11,677.77)	(12,979.46)
Construction work in Progress		
Land	-	-
Others	(2,007.15)	(2,007.15)
Less: Transitional input credit under GST	(31,984.02)	(1,50,913.62)
Less: Transferred to Fixed Assets	-	-
Less: Adjustment due to translation	-	-
	(21,013.86)	6,481.13
<b>(Increase)/ Decrease in Inventories</b>	<b>(7,499.81)</b>	<b>(8,665.73)</b>

**NOTE 28 : EMPLOYEE BENEFITS EXPENSE**

	(Rs. in lacs)	
	2021-22	2020-21
Salaries, Wages and Bonus	491.62	510.19
Contribution to Provident and Others Funds (Refer Note 37)	30.11	31.78
Staff Welfare Expenses	7.77	8.95
<b>TOTAL</b>	<b>529.49</b>	<b>550.93</b>

**NOTE 29: DEPRECIATION & AMORTISATION**

	(Rs. in lacs)	
	2021-22	2020-21
Depreciation on Tangible assets (Note 4.1)	1,255.84	1,462.60
Depreciation on Investment Property (Note 4.2)	1.98	2.16
Amortisation of Intangible Assets (Note 4.4)	4.44	7.21
<b>Total</b>	<b>1,262.26</b>	<b>1,471.98</b>

**NOTE 30.1 : COST OF SALES**

	(Rs. in lacs)	
	2021-22	2020-21
Cost of Sales	77,055.74	-
<b>Total</b>	<b>77,055.74</b>	<b>-</b>

**NOTE 30.2 : FINANCE COSTS**

	(Rs. in lacs)	
	2021-22	2020-21
Interest expenses	10,148.46	10,991.31
Net Foreign Exchange Loss	42,024.14	707.97
Other Borrowing Costs	4,255.18	940.34
<b>Total</b>	<b>56,427.78</b>	<b>12,639.62</b>

**NOTE 31: OTHER EXPENSES**

	(Rs. in lacs)	
	2021-22	2020-21
Power & Fuel	864.81	761.40
Repairs		
Building	42.56	0.08
Others	129.16	9.99
Maintenance	439.74	299.65
House Keeping Charges	326.40	276.49
Security Charges	303.42	202.90
Transportation Expenses	0.07	-
Landscaping & Gardening Expenses	5.98	5.30
Insurance	98.42	74.27
Rates & Taxes	1,594.37	1,053.27
Legal & Profession Charges	426.17	814.43
Director's Remuneration	2.60	-
CSR Expenses (Refer Note 31.2)	10.26	32.29
Loss on discard of Fixed Assets	-	7.98
Share of Loss as partner in South City Anmol Infra Park LLP	358.03	0.02
Electrical Expenses and others	11.80	-
Discount allowed	89.00	-
Miscellaneous Expenses	2,603.00	213.42
<b>Total</b>	<b>7,305.79</b>	<b>3,751.48</b>





**South City Projects (Kolkata) Limited**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**Note 31.1- Auditor's Remuneration**

	(Rs. in lacs)	
	2021-22	2020-21
<b>As Auditor:</b>		
Audit fee	18.23	11.22
Tax Audit fee	0.55	0.55
Other Matters	0.35	0.05
<b>Total</b>	<b>19.13</b>	<b>11.82</b>

**Note 31.2- Details of CSR Expenditure**

	(Rs. in lacs)	
	2021-22	2020-21
<b>a) Gross amount required to be spent by the Group during the year</b>	<b>74.73</b>	<b>88.40</b>
<b>b) Amount spent during the year:</b>	<b>74.73</b>	<b>88.40</b>
Purposes other than above	10.26	32.29
<b>Net Unspent</b>	<b>64.47</b>	<b>56.11</b>



**32 Basis for calculation of Basic and Diluted Earnings per Share is as under:**

Basic EPS amounts are calculated by dividing the profit for the year attributable to Equity holders of the Parent Company by the weighted average number of Equity Shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to Equity holders of the Parent Company by the Weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	₹ in Lakhs	
	2021-22	2020-21
Profit attributable to equity holders of the parent for basic earnings	(28,155.95)	(2,705.55)
Weighted average number of equity shares for basic EPS	45,00,700	45,00,700
Nominal value of equity per share (Rs.)	10	10
Earnings per Share - Basic & Diluted (Rs.)	(625.59)	(60.11)

**33 Commitment and Contingencies****a. Commitments**

	₹ in Lakhs	
Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on Capital Account(net of capital advance)	499.71	3,680.72

**b. Contingent liabilities -**

	₹ in Lakhs	
Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding Bank guarantees and letters of credit	-	-
Disputed demands	-	-
(a) Employees State Insurance Demands (Net of Advances)	9.62	9.62
(b) Service Tax	1,327.49	990.06
(c) Income Tax	-	-
<b>Total</b>	<b>1,337.11</b>	<b>999.68</b>

**34 Leases****Operating lease — Group as lessor**

The Parent Company has given Mall premises and IT Park on operating lease to lessee. The Company enters into 3 - 15 years cancellable lease agreements. Minimum lease payments receivable in respect of these leases for non-cancellable period are as follows-

	₹ in Lakhs	
Minimum Lease Payments	As at March 31, 2022	As at March 31, 2021
Within one year	1,424.86	3,311.20
After one year but not more than five years	1,202.95	4,034.19
<b>Total Minimum Lease Payments</b>	<b>2,627.82</b>	<b>7,345.39</b>





# South City Projects (Kolkata) Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

## Note 35.1 - Financial Assets

	(Rs. in lacs)	
	As at 31.03.2022	As at 31.03.2021
<b>Financial Assets - Non Current</b>		
<u>At Amortised Cost</u>		
(a) Trade Receivable	309.46	562.53
(b) Loans	(0.00)	167.42
(c) Other financial assets	26,383.46	3,997.31
	<b>26,692.90</b>	<b>4,727.25</b>
<u>At Fair Value through profit or loss</u>		
Investments	393.23	371.35
<b>Total Non Current Financial Assets (a)</b>	<b>27,086.13</b>	<b>5,098.60</b>
<b>Financial Assets - Current</b>		
<u>At Amortised cost</u>		
(a) Trade Receivables	10,128.87	1,453.68
(b) Cash and Cash Equivalents	3,328.99	1,686.25
(c) Bank Balances other than (b) above	38.04	37.91
(d) Loans	1,539.17	6,287.04
(e) Other Financial Assets	385.82	402.34
	<b>15,420.89</b>	<b>9,867.22</b>
<u>At Fair Value through profit or loss</u>		
Investments	283.74	208.52
<b>Total Current Financial Assets (b)</b>	<b>15,704.63</b>	<b>10,075.74</b>
<b>Total Financial Assets (a + b)</b>	<b>42,790.76</b>	<b>15,174.34</b>
<b>Note 35.2 - Financial Liabilities</b>		
<b>Financial Liabilities - Non Current</b>		
<u>At Amortised Cost</u>		
(a) Borrowings	73,883.16	86,071.50
(b) Other Financial Liabilities	807.80	990.12
<b>Total Non Current Financial Liabilities (a)</b>	<b>74,690.96</b>	<b>87,061.62</b>
<b>Financial Liabilities - Current</b>		
<u>At Amortised Cost</u>		
(a) Borrowings	49,622.68	33,999.73
(b) Trade payables	8,850.51	4,075.08
(c) Other Financial Liabilities	5,302.50	15,917.83
<b>Total Current Financial Liabilities (b)</b>	<b>63,775.69</b>	<b>53,992.63</b>
<b>Total Financial Liabilities (a + b)</b>	<b>1,38,466.65</b>	<b>1,41,054.25</b>



**Note 36 - Significant accounting judgements, estimates and assumptions**

The preparation of the Group's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements, Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements.

**Defined Employer Benefit plans**

The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 37.

**Fair value measurement of financial instruments and guarantees**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. 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. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Depreciation on Property, Plant and Equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. The Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

**Classification of leases**

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.





## 37 Employee Benefit Obligation

## (a) Defined Benefit Plan

The following tables summarises the components of net benefit expenses recognized in the Consolidated Statement of Profit & Loss and OCI amounts recognized in the balance sheet:

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Changes in the present value of defined benefit obligation</b>				
Present value of defined benefit obligation as at year beginning	316.19	291.99	125.26	120.59
Current Service Cost	19.84	29.29	10.28	12.79
Interest Cost	14.90	22.75	8.39	7.96
Remeasurements (gains)/losses				
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(13.00)	(1.46)	(3.62)	(1.13)
Actuarial (gains)/losses arising from changes in experience adjustments	18.86	4.93	13.99	10.34
Benefits Paid	(72.87)	(31.30)	(46.06)	(25.28)
<b>Present value of defined benefit obligation as at year end</b>	<b>283.91</b>	<b>316.19</b>	<b>108.25</b>	<b>125.26</b>

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Amounts Recognised in the Balance Sheet</b>				
Present value of defined benefit obligation at the year end	283.91	316.19	108.25	125.26
Fair Value of the Plan Assets at the year end	-	-	-	-
<b>Liability/(Asset) Recognised in the Balance Sheet</b>	<b>283.91</b>	<b>316.19</b>	<b>108.25</b>	<b>125.26</b>

Particulars	Gratuity Unfunded		Leave Encashment Unfunded	
	2021-22	2020-21	2021-22	2020-21
<b>Expense recognised in the Statement of Profit and Loss:</b>				
Current Service Cost	19.84	29.29	10.28	12.79
Remeasurements (or Actuarial (gains)/losses) arising from :				
- Changes in financial assumptions	-13.00	-1.41	-3.62	-1.13
- Experience variance (i.e. Actual experience vs assumptions)	18.86	0.00	13.99	10.34
Net Interest Cost/(Income)	14.90	22.75	8.39	7.96
<b>Net Cost Recognised in the Statement of Profit and Loss</b>	<b>40.59</b>	<b>50.63</b>	<b>29.05</b>	<b>29.95</b>
<b>Expense recognised in the Other Comprehensive Income:</b>				
Remeasurements (gains)/losses	5.85	3.47	0.00	0.00
<b>Net Cost Recognised in Other Comprehensive Income</b>	<b>5.85</b>	<b>3.47</b>	<b>0.00</b>	<b>0.00</b>

## (i) The principal assumptions used in determining gratuity obligations for the Group's plans are shown below

Significant Actuarial Assumptions	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial Assumption</b>				
Discount rate	7.10%	7.50%	7.10%	7.50%
Salary Growth Rate (%)	8%	8%	8%	8%
<b>Demographic Assumptions :</b>				
Normal Retirement Age (yrs.)	58	58	58	58
Mortality Rate (% of IALM 06-08)	100%	100%	100%	100%
Attrition Rates, based on age	2%	2%	2%	2%

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

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The discount rate is based on the government securities yield.

The Group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.



(ii) A quantitative sensitivity analysis for significant assumption is as shown below

Discount Rate ( - / + 1%)  
 % change compared to base due to sensitivity  
 Salary Growth Rate ( - / + 1%)  
 % change compared to base due to sensitivity  
 Attrition Rate ( - / + 50%)  
 % change compared to base due to sensitivity  
 Mortality Rate ( - / + 10%)  
 % change compared to base due to sensitivity

Gratuity			
As at 31.03.2022		As at 31.03.2021	
Decrease	Increase	Decrease	Increase
203.93	174.84	190.52	161.39
8.26%	-7.18%	8.46%	-7.26%
179.99	197.35	165.70	184.60
-4.45%	4.76%	-5.16%	5.50%
185.70	190.82	173.30	176.30
-1.42%	1.30%	-1.17%	1.02%
187.90	188.85	174.60	175.17
-0.25%	0.25%	-0.17%	0.16%
Leave Encashment			
As at 31.03.2022		As at 31.03.2021	
Decrease	Increase	Decrease	Increase
115.63	98.00	137.38	114.86
8.91%	-7.70%	9.65%	-8.23%
97.42	116.15	114.23	137.92
-8.24%	9.40%	-8.77%	10.14%
102.57	105.69	126.32	124.31
-3.39%	-0.46%	0.39%	-0.35%
106.27	106.09	125.43	125.10
0.09%	-0.08%	0.06%	-0.06%

Discount Rate ( - / + 1%)  
 % change compared to base due to sensitivity  
 Salary Growth Rate ( - / + 1%)  
 % change compared to base due to sensitivity  
 Attrition Rate ( - / + 50%)  
 % change compared to base due to sensitivity  
 Mortality Rate ( - / + 10%)  
 % change compared to base due to sensitivity

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (iii) Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk :** This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk :** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

38 There are Micro, Small and Medium Enterprises, to whom the Group owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 as been determined to the extent such parties have been identified on the basis of information available with the group.





**39 Fair Value Hierarchy**

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

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

**a) Financial assets and liabilities measured at fair value at 31 March 2022****(Rs. in lacs)**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Investment at FVTPL</b>				
In Quoted Units of Mutual Fund	393.23	-	-	393.23
In Quoted Equity Shares	-	-	-	-
In Quoted Shares through PMS Pool Account	-	-	-	-

**Financial assets and liabilities measured at fair value at 31 March 2021**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Investment at FVTPL</b>				
In Quoted Units of Mutual Fund	371.35	-	-	371.35
In Quoted Equity Shares	-	-	-	-
In Quoted Shares through PMS Pool Account	-	-	-	-

**(b) Financial instruments at amortized cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**(c) During the year there has been no transfer from one level to another**

## 40a RELATED PARTIES

(a) Particulars of Related Parties with whom transactions have taken place during the year  
Parent and Subsidiary Companies:

Name of related parties	Nature of relationship	% of Holding
South City International School	Subsidiary	51.00%

Other related parties with whom transactions have taken place during the year:

## Joint Venture of the Group

Name of related parties	Nature of relationship	% of Holding
Kolkata Metropolitan South City Development Ltd.	Joint Venture of the Company	49.97%

## Key Management Personnel

<u>Name of related parties</u>	<u>Nature of relationship</u>
Shri Pradeep Kumar Sureka	Non - Executive Director
Shri Rajendra Kumar Bachhawat	Non - Executive Director
Shri Ravi Todi	Non - Executive Director
Shri Sushil Kumar Mohta	Non - Executive Director
Shri Jugal Kishore Khetawat	Non - Executive Director
Shri Sentu Sardar	Non - Executive Director (Since 07.08.2021)
Dr. Nitesh Kumar Gupta	Non - Executive Director
Shri Hari Mohan Marda	Independent Director
Shri Shrish Tapuriah	Independent Director
Shri Parimal Ajmera	Company Secretary
Shri Man Mohan Bagree	Vice President

Entities where Key Management Personnel & their relatives have significant influence with whom transactions have taken place during the year

South City Belair Property Management Private Ltd.  
Khetawat Family Welfare Trust  
Khetawat Properties Ltd.  
South City Anmol Infra Park LLP  
Groove Traders Pvt. Ltd.  
Merlin Projects Ltd.  
Anmol Agrofarm LLP  
Anumati Consultancy & Services (P) Ltd.  
Delta Nirman LLP  
Jyotim Constructions LLP  
Monarch Shelter Pvt.Ltd.  
S.K.G.Land Developers LLP  
Shangrila Commercial Co LLP  
A A Synergy DMCC





Particulars	Subsidiaries		Joint Venture		Key Management Personnel		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Sitting Fees	-	-	-	-	2.60	2.30	-	-	2.60	2.30
Remuneration & Commission	-	-	-	-	68.18	120.50	-	-	68.18	120.50
Rendering of Services	3.60	3.60	-	-	-	-	-	-	3.60	3.60
Loan Given	231.56	92.00	-	-	-	-	-	1,243.27	231.56	1,335.27
Loan Received	-	-	-	-	1,280.00	438.00	310.00	323.00	1,590.00	761.00
Advances Given	-	-	-	-	9.73	3.47	-	-	9.73	3.47
Advances for Property Development	-	-	-	-	-	-	28.20	-	28.20	-
Electric & Other Charges	2.07	-	-	-	-	-	-	-	2.07	-
Interest Income	-	12.60	-	-	-	-	61.66	12.39	61.66	24.99
Interest Exp.	-	-	-	-	138.90	11.28	162.74	120.56	301.64	131.85
Payable Towards Revenue Share	-	-	411.67	-	-	-	-	-	411.67	-
Payment towards interest	-	-	-	-	146.97	-	228.94	120.56	375.91	120.56
Receipt Towards Loan Given	1,342.60	477.00	-	-	-	-	-	-	1,342.60	477.00
Repayment of Loan Received	-	-	-	-	370.68	350.00	1,483.00	-	1,003.68	350.00
Receipt Towards Advances given	-	-	-	-	10.57	4.14	323.25	-	333.82	4.14
Repayment of Advance received towards sale of flat	-	1.04	-	-	-	-	-	-	-	1.04
Balance as on 31.03.2022										
A - Investment	1.53	1.53	-	-	-	-	138.00	-	139.53	1.53
B - Loan Given	1,321.85	0.06	-	-	-	-	-	-	1,321.85	0.06
C - Advance for Land	-	-	-	1,205.06	-	-	-	-	-	1,205.06
D - Advances for Property Development	-	-	-	-	-	-	211.34	239.54	211.34	239.54
E - Advances Paid	-	-	-	-	32.43	42.99	-36.30	-	-3.87	42.99
F - Advances received	-	-	-	-	-	-	0.16	0.16	0.16	0.16
G - Interest Payable	-	-	-	-	5.75	11.28	-	4.06	5.75	15.34



**41 Financial risk management objectives and policies**

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**A. Credit Risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group.

The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

The group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes security deposits, Loans given and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**a) Credit Risk Management****1. Credit Risk Rating**

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- A. Low Credit Risk
- B. Moderate Credit risk
- C. High credit risk

Asset Group	Description
Low Credit Risk	Cash and cash equivalents, other bank balances, investments and other financial assets
Moderate Credit Risk	Current Trade receivables and Secured loans
High Credit Risk	Non Trade receivables and Unsecured loans

\*Based on business environment in which the Group operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

Credit Rating	Particulars	(Rs. in lacs)	
		31-Mar-22	31-Mar-21
Low Credit Risk	Cash and cash equivalents, other bank balances, investments and other financial assets	33,131.71	28,679.47
Moderate Credit Risk	Current Trade receivables and Secured loans	10,165.75	1,511.53
High Credit Risk	Non Trade receivables and Unsecured loans	1,811.75	6,959.14

**B. Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.





**Maturities of Financial Liabilities**

The table below analyse the Group's Financial Liabilities into relevant maturity groupings based on their contractual maturities

March 31, 2022

(Rs. in lacs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	49,622.68	40,851.88	33,031.28	1,23,505.84
Trade Payable	8,850.51	-	-	8,850.51
Security deposits	414.71	-	-	414.71
Other Financial Liabilities	5,302.50	807.80	-	6,110.30

March 31, 2021

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	45,807.83	53,040.22	33,031.28	1,31,879.33
Trade Payable	4,075.08	-	-	4,075.08
Security deposits	459.55	-	-	459.55
Other Financial Liabilities	15,917.83	990.12	-	16,907.95

**C. Market Risk****a. Interest Rate Risk**

The Group has taken debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Group to interest rate risk.

*Interest Rate Risk Exposure*

Particulars	31-Mar-22	31-Mar-21
Variable Rate Borrowing	1,08,568.51	1,19,121.71
Fixed Rate Borrowing	14,937.33	12,757.62

**Interest rate sensitivity**

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31-Mar-22	31-Mar-21
<b>Interest Sensitivity*</b>		
Interest Rates increase by 100 basis points	(1,085.69)	(1,191.22)
Interest Rates decrease by 100 basis points	1,085.69	1,191.22

\*Holding all other variables constant

**Price Risk Sensitivity**

Particulars	31-Mar-22	31-Mar-21
<b>Price Risk Sensitivity*</b>		
Price increase by 500 basis points	19.66	18.57
Price decrease by 500 basis points	(19.66)	(18.57)

\*Holding all other variables constant



**42 Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's Capital Management is to maximise the shareholder value.

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Group's overall strategy remains unchanged from previous year. The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The Group's policy is to use short term and long term borrowings to meet anticipated funding requirements. The Group monitors capital on the basis of the net debt to equity ratio. The Group is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents). Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Group:

	(Rs. in lacs)	
	As at March 31, 2022	As at March 31, 2021
Borrowings	1,23,505.84	1,31,879.33
Trade payables	8,850.51	4,075.08
Other Financial Liabilities	6,110.30	16,907.95
Less: Cash and Cash Equivalents	3,328.99	1,686.25
Less: Bank Balances Other than Cash and Cash Equivalents	38.04	21,874.16
<b>Net debt</b>	<b>1,35,099.62</b>	<b>1,29,301.94</b>
Total capital	-5,019.68	23,136.27
<b>Capital and net debt</b>	<b>1,30,079.94</b>	<b>1,52,438.21</b>
Gearing ratio	104%	85%





**South City Projects (Kolkata) Limited**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

- 43 In View of sluggish real estate market condition and covid impact on step down subsidiary viz Indocean Developrs Private Limited ("IDPL"), the Company has waived off interest for the FY 2021-22 on the loan given to subsidiary viz AA Infra Properties Private Limited ("AAIPL") in as much as the said loan was consequently given by AAIPL to IDPL. Based on the projected cashflow of IDPL as certified by Independent Valuer and Management, the loan is good and thus need not impaired /provided for.
- 44 In View of sluggish real estate market condition and covid impact on step down subsidiary viz AA Infra (Middle East) Limited ("AAIMEL"), the Company has waived off interest for the FY 2021-22 on the loan given to subsidiary viz AA Infra Properties Private Limited ("AAIPL") in as much as the said loan was consequently given by AAIPL to AAIMEL. Based on the projected cashflow of AAIMEL as certified by the Management, the loan is good and thus need not impaired /provided for.
- 45 The company has waived off the guarantee commission for the corporate guarantee in reference to Ind AS-109, given against the loan taken by step down subsidiary viz Indocean Developrs Private Limited ("IDPL") in view of the sluggish real estate market condition and Covid impact.



**Note 46 - Segment Information**

1. The Group has disclosed business segment as the primary segment. The Group is collectively organised into following business segments namely:

(a) Real estate projects ; (b) Rental Activities. Segments have been identified as reportable segments by the Group's Chief Operating Decision Maker ("CODM"). Segment profit amounts are evaluated regularly by the Board, which has been identified as the CODM, in deciding how to allocate resources and in assessing performance.

Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

2. The accounting policies of the reportable segments are the same as the Group accounting policies described in Note 2. Segment profit (Earnings before interest, depreciation and amortization, and tax) amounts are evaluated regularly by the Board that has been identified as its CODM in deciding how to allocate resources and in assessing performance. The Group's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.

3. The Group Company's activities are also outside India and hence separate geographical segment disclosure is considered necessary.

4. The net expenses and income, which are not directly attributable to a particular Business Segment, are shown as unallocated corporate cost and income respectively.

5. Assets and Liabilities that can not be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

6. The Group does not have any major customer i.e. Revenue from transactions with a single external customer does not amount to 10% or more of the Group's Revenue.

The following table presents revenue and profit information for the Group's operating segment for the year ended March 31, 2022 and March 31, 2021

Particulars	Total						(Rs. in lacs)	
	Real Estate Projects	Rental Activities	Unallocated	Total	2021-22	2020-21	2021-22	2020-21
<b>Revenue</b>								
Total External Revenue	93,559.49	2,121.25	15,501.18	11,246.74	-	-	1,09,060.67	13,368.00
Inter Segment Revenue	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>93,559.49</b>	<b>2,121.25</b>	<b>15,501.18</b>	<b>11,246.74</b>	<b>-</b>	<b>-</b>	<b>1,09,060.67</b>	<b>13,368.00</b>
<b>Results</b>								
Segment Results	8,356.38	(226.92)	11,425.55	8,189.99	457.67	-	20,239.59	7,963.06
Unallocated Corporate Expenses	-	-	-	-	795.66	199.19	795.66	199.19
<b>Operating Profit/(loss)</b>	<b>8,356.38</b>	<b>(226.92)</b>	<b>11,425.55</b>	<b>8,189.99</b>	<b>(338.01)</b>	<b>(199.19)</b>	<b>19,443.93</b>	<b>7,763.88</b>
Other Income	4,664.31	1,127.78	433.55	316.54	-	-	5,097.86	1,444.31
Unallocated Other Income	-	-	-	-	517.58	339.03	517.58	339.03
Interest Income	103.87	120.63	59.09	63.27	-	-	162.96	183.90
Unallocated Interest Income	-	-	-	-	1,515.47	1,320.65	1,515.47	1,320.65
Financial Expenses	47,242.79	3,849.25	1,751.84	2,003.77	-	-	48,994.63	5,853.02
Unallocated Financial Expenses	-	-	-	-	7,433.16	6,786.60	7,433.16	6,786.60
<b>Profit/(loss) Before Tax</b>	<b>(34,138.15)</b>	<b>(2,893.73)</b>	<b>8,924.93</b>	<b>5,162.73</b>	<b>(5,739.04)</b>	<b>(5,328.83)</b>	<b>(30,952.25)</b>	<b>(3,059.84)</b>
Current Tax	-	-	-	-	355.59	166.15	355.59	166.15
Deferred Tax	-	-	-	-	676.68	(99.52)	676.68	(99.52)
Income Tax of Earlier Years	-	-	-	-	0.18	-0.58	0.18	(0.58)
<b>Net Profit/(loss) after Tax</b>	<b>(34,138.15)</b>	<b>(2,893.73)</b>	<b>8,924.93</b>	<b>5,162.73</b>	<b>(6,070.89)</b>	<b>(5,394.87)</b>	<b>(31,984.81)</b>	<b>(3,125.88)</b>

The following table presents assets and liabilities information for the Group's operating segment for the year ended March 31, 2022 and March 31, 2021

Particulars	Total						(Rs. in lacs)	
	Real Estate Projects	Rental Activities	Unallocated	Total	2021-22	2020-21	2021-22	2020-21
<b>Segment Assets</b>	<b>23,833.04</b>	<b>1,16,259.36</b>	<b>60,647.02</b>	<b>50,581.96</b>	<b>-</b>	<b>-</b>	<b>84,480.06</b>	<b>1,61,799.65</b>
Unallocated Corporate Assets	-	-	-	-	83,891.87	95,055.51	83,891.87	95,055.51
<b>Total Assets</b>	<b>23,833.04</b>	<b>1,16,259.36</b>	<b>60,647.02</b>	<b>50,581.96</b>	<b>83,891.87</b>	<b>95,055.51</b>	<b>1,68,371.93</b>	<b>2,56,855.17</b>
<b>Segment Liabilities</b>	<b>65,495.77</b>	<b>1,33,024.09</b>	<b>27,958.94</b>	<b>21,656.07</b>	<b>-</b>	<b>-</b>	<b>93,454.71</b>	<b>1,59,849.61</b>
Unallocated Corporate Liabilities	-	-	-	-	64,963.56	75,464.71	64,963.56	75,464.71
<b>Total Liabilities</b>	<b>65,495.77</b>	<b>1,33,024.09</b>	<b>27,958.94</b>	<b>21,656.07</b>	<b>64,963.56</b>	<b>75,464.71</b>	<b>1,58,418.27</b>	<b>2,35,314.32</b>
Capital Expenditure Incurred	-	-	-	34,845.00	-	-	-	34,845.00
Unallocated Capital Expenditure Incurred	-	-	-	-	-	0.35	-	0.35
Depreciation and Amortisation expense	19.93	28.32	1,241.42	1,403.30	0.92	2.72	1,262.26	1,471.98

As the Group primarily operates in India and therefore the analysis of Geographical segments is demarcated into its Indian and overseas operations as under:

	Revenue from Operations	
	2021-22	2020-21
India	21,628.38	13,365.31
Overseas	87,432.28	2.69

The following table shows the carrying amount of segment Non-Current Assets by geographical area to which these assets are attributable:

	Carrying Amount of Non Current Assets	
	As at 31st Mar 2022	As at 31st Mar 2021
India	25,461.00	24,538.93
Overseas	18,353.59	19,993.19

**Note 47:**

All figures are in Rupees Lakhs. Figures marked with (\*) are below the rounding of norm adopted by the Group.





48 Group Information

(Rs. in lacs)			
Name	Country of incorporation and operation	As at March 31, 2022	As at March 31, 2021
<b>SUBSIDIARIES</b>		(%)	(%)
South City Projects FZE	Dubai	100.00	100.00
Bengal South City Matrix Infrastructure Ltd	India	99.65	99.65
Bengal Anmol South City Infrastructure Ltd	India	69.65	69.65
South City Property Management Pvt Ltd	India	100.00	100.00
South City Developers Pvt Ltd	India	100.00	100.00
AA Infraproperties Pvt Ltd	India	100.00	87.50
South City Retreat Property Management Pvt Ltd	India	100.00	100.00
Indocean Developers Private Limited	Sri Lanka	100.00	87.50
AA Infra (Middle East) Ltd.	Middle East	100.00	87.50
AA Infra properties (Iafza) Ltd	Middle East	100.00	87.50
South City International School	India	51.00	51.00
<b>JOINT VENTURES</b>			
Kolkata Metropolitan South City Development Ltd	India	49.97	49.97

Note: The Holding company has acquired 12.5% share in AA Infra Properties Pvt. Ltd. during the year 2021-22. This resulted a change in share holding from 87.5% to 100%.

**Note 49 :Leases**

The Company has taken land on lease on which the company has applied Ind AS-116, Leases.

**Company as a lessee**

**Impact on Balance sheet (Increase/Decrease)**

(Rs. in lacs)		
Particulars	31st March, 2022	31st March, 2021
<b>Assets</b>		
Right of use Assets (Refer Note No. 4.3)	2,932.87	9,958.70
<b>Liabilities</b>		
Lease liability	0.35	0.35

**Impact on Statement of Profit and Loss (Decrease in Profit)**

(Rs. in lacs)	
Particulars	31st March, 2022
Depreciation and Amortisation	81.39
Rental Expense	(0.04)
Finance Cost	0.04
Net decrease in Profit	81.39

**Impact on Statement of cash flows**

(Rs. in lacs)	
Particulars	31st March, 2022
Total Cash outflow for leases	0.04

There is no material impact on other comprehensive income or the basic and diluted earning per share.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

(Rs. in lacs)	
Particulars	31st March, 2022
As at 1st April 2021	9,958.70
Addition during the year	-
Depreciation Expense	81.39
As at 31st March 2022	2,932.87

Set out below are the carrying amounts of lease liabilities and the movement during the period:

(Rs. in lacs)	
Particulars	31st March, 2022
As at 1st April 2021	0.35
Addition during the year	0.04
Repayment during the year	-
As at 31st March 2022	0.39

**Maturity Analysis of Lease Liability**

**Contractual maturities of lease liability**

(Rs. in lacs)	
Particulars	31st March, 2022
Within one year	0.00
After one year but not more than five years	0.00
More than five years	0.04
Total Lease liability	0.04



**SOUTH CITY PROJECTS (KOLKATA) LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

50 1. The Group's interests in Joint Ventures are reported as Financial assets - Investments.

2. The Group and M/s. Merlin Projects Ltd. acting together in a consortium called "South City Merlin Consortium" was awarded 4.40 Acres of land in a competitive bid invited by the Kolkata Metropolitan Development Authority (KMDA) for the development of Residential and Commercial cum Office Complex, for a sum of Rs. 10914.00 Lacs (Bid Amount) on a joint venture basis. As per terms of Memorandum of Understanding (MOU) entered between the South City Merlin Consortium and KMDA, company has paid 10% of the bid amount to the KMDA along with an earnest money deposit of Rs. 50.00 lacs on execution of MOU. As the entire project was to be carried out on a joint venture basis, a new company was floated in the name and style of M/s. Kolkata Metropolitan South City Development Ltd. (KMSCDL) with authorised share capital of Rs. 100.00 Lacs. The Group has agreed to subscribe 4,99,700 Equity Shares of Rs. 10/- each aggregating to Rs. 49.97 Lacs by signing the Memorandum of Association of aforesaid KMSCDL. However, the matter is under litigation. In view of this, the Group has kept in abeyance the payment of subscription amount of Rs. 49.97 Lacs. Further, it was found that due to inadvertence from KMDA, erroneous description of the land was given in the above mentioned MOU. As such a Supplemental MOU dated 16/11/2011 was executed where in total area of land was revised to 3.67 Acres. Inspite of repeated requests and reminders, KMDA has not yet handover the land parcels. The Group requested for refund of sum paid to KMDA together with interest as well as reimbursement of expenses incurred. On the failure of KMDA the consortium invoked the Arbitration Clause contained in the said MOU by appointing Justice Amitava Lala (Retd.) to adjudicate the dispute. KMDA in course of the sittings before Justice Lala, raised objection as to his appointment as Arbitrator and did not agree to the continuance of the Arbitration proceedings. In such circumstances and as advised the Consortium has decided not to proceed with the said Arbitration and to have a new Arbitrator appointed in terms of Section 11 of the Arbitration & Conciliation Act, 1996. In the said application u/s 11, Mr. Jayanta Kumar Mitra, Senior Advocate has been appointed as the sole Arbitrator. The said Arbitration proceeding has now been completed and the Ld. Sole Arbitrator has also given the Award on 22/06/2020, subsequently modified on 14.08.2020. In terms of the said award, KMDA has been directed to pay (i) the principal sum of Rs. 11.41 crores, (ii) Interest on the said Principal sum @15% per annum from 17/12/2007 to till date of Rs. 21.25 crores, (iii) Rs. 62.33 lacs towards damages by way of expenses incurred by the Consortium towards preliminary and other expenses and (iv) Rs. 22.43 lacs towards interest on Rs. 62.33 lacs and (v) Rs. 100 for damage on prayer (c) of the Statement of Claim and (vi) Costs of the proceedings of Rs. 45,00,000. However, the claim of damages of the Consortium has not been allowed. Being aggrieved with the said Award, KMDA has moved before the Hon'ble High Court to quash the said Award. The Consortium has also filed an application before the Hon'ble High Court against the said award for not allowing damages. Hence, the matter is now pending before the Hon'ble High Court.





51 Additional information as required by paragraph 2 of the general instructions for preparation of consolidation financial statements to schedule III to the Companies Act 2013:

Name of Entity	Net Assets, ie, Total Assets minus Total Liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>								
South City (Kolkata) Projects Limited	513.67%	51,129.36	-7.40%	2,367.03	-0.02%	(3.01)	-15.27%	2,364.02
<b>Subsidiaries</b>								
South City Projects FZE	0.02%	1.97	0.00%	(0.12)	0.00%	0.07	0.00%	(0.04)
Bengal South City Matrix Infrastructure Ltd	0.24%	23.98	-0.03%	10.14	0.00%	-	-0.07%	10.14
Bengal Anmol South City Infrastructure Ltd	-9.67%	(962.10)	-0.01%	1.85	0.00%	(0.74)	-0.01%	1.11
South City Property Management Pvt Ltd	0.99%	98.64	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
South City Developers Pvt Ltd	-0.02%	(2.02)	0.00%	(0.26)	0.00%	-	0.00%	(0.26)
AA Infraproperties Pvt Ltd	27.50%	2,737.48	-0.12%	38.56	0.00%	-	-0.25%	38.56
South City Retreat Property Management Pvt Ltd	-0.02%	(2.09)	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
Indocean Developers Private Limited	-373.02%	(37,129.06)	127.30%	(40,713.78)	99.87%	16,473.80	156.53%	(24,239.98)
AA Infra (Middle East) Ltd.	7.50%	746.21	2.11%	(675.11)	0.18%	29.77	4.17%	(645.34)
AA Infra properties (Jafza) Ltd	-1.43%	(142.70)	0.11%	(33.94)	-0.02%	(3.96)	0.24%	(37.90)
Inter Group Adjustments	-65.76%	(6,546.01)	-21.96%	7,024.10	0.00%	-	-45.36%	7,024.10
<b>Total</b>	<b>100%</b>	<b>9,953.66</b>	<b>100%</b>	<b>(31,981.98)</b>	<b>100%</b>	<b>16,495.94</b>	<b>100%</b>	<b>(15,486.04)</b>



## Note 52 - Ratios

Sr. No.	Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance	Remarks for variance more than 25%
i.	Current Ratio	Current Assets	Current Liabilities	1.26	1.31	-4.28%	Not Applicable.
ii.	Debt Equity Ratio	Debt	Net Worth	15.92	10.92	45.69%	Decrease in Networth and Debt
iii.	Debt Service Coverage Ratio	Profit before exceptional items, tax and finance cost	Finance Cost + Principal repayment made for Non-Current borrowings and Non-Current Lease Liabilities	0.29	0.17	75.76%	Movement in ratio due to improvement in EBIT & higher repayment of borrowings.
iv.	Return on Equity Ratio	Profit after Tax	Average Shareholders' Funds (Total Equity)	(1.61)	(0.11)	1303%	Significant decrease in Profit after Tax.
v.	Inventory Turnover Ratio	Sale of Goods	Average Inventories of Finished Stock	0.24	0.03	808%	Increase in Turnover
vi.	Trade Receivables Turnover Ratio	Sale of Goods	Average Gross Trade Receivables (before provision)	4.67	2.12	121%	Increase in ratio due to reduction in receivables as compared to increase in turnover.
vii.	Trade Payable Turnover Ratio	Cost of Materials Consumed + Purchase of Stock-in-Trade + Changes in Inventories of finished goods, WIP & Stock-in-Trade + Other expenses	Average Trade Payable	0.76	0.81	-7%	Not Applicable.
viii.	Net Capital Turnover Ratio	Sale of Goods	Current Assets less Current Liabilities (excluding current maturity of Non Current Borrowing and Non Current Lease Liabilities)	2.82	0.31	803%	Increase in Turnover and Working Capital
ix.	Net Profit Ratio	Net Profit for the Period	Total Income	-0.27	-0.76	-63.82%	Increase in Turnover due to sale of completed projects and decrease in net profit
x.	Return on Capital Employed	Profit before exceptional items, tax and finance cost	Networth + Debt + Deferred Tax Liability	0.27	0.08	231.79%	Business profitability before exceptional items, tax and finance cost has improved.
xi.	Return on Investment	Interest income from financial assets carried at amortised cost + Net gain on financial asset measured at fair value through profit and loss	Average (Non Current Investments + Current Investments + Non Current Loans receivable + Current Loans receivable - Investments in equity instruments of subsidiaries - Investments in preference shares of subsidiaries - investments in debentures of subsidiaries)	0.32	0.14	128.13%	Increase due to increase in other income and decrease in investment in mutual fund.





## SOUTH CITY PROJECTS (KOLKATA) LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

## Note 53 - Capital work-in-progress ageing schedule

(Rs. in lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
As at March 31, 2022	587.70	28.14	-	11,171.12	11,786.96
As at March 31, 2021	28.14	-	1.88	9,133.13	9,163.15

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

## Note 54 - Trade Receivables ageing schedule

(Rs. in lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Considered good						
As at March 31, 2022	9,953.58	122.07	88.06	32.45	242.16	10,438.33
As at March 31, 2021	1,322.49	70.97	284.67	139.29	198.80	2,016.21

## Note 55 - Trade Payable ageing schedule

(Rs. in lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Payable - MSME					
As at March 31, 2022	1.37	-	-	-	1.37
As at March 31, 2021	-	0.91	-	-	0.91
Trade Payable - Others					
Undisputed					
As at March 31, 2022	5,666.87	32.55	396.11	2,746.58	8,842.10
Disputed					
As at March 31, 2022	-	-	-	7.04	7.04
Undisputed					
As at March 31, 2021	760.26	450.45	31.38	2,825.05	4,067.14
Disputed					
As at March 31, 2021	-	-	-	7.04	7.04



SOUTH CITY PROJECTS (KOLKATA) LIMITED  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Note 56 - CSR Details

- 1 Average net profit of the Company as per Section 135(5) 37.37 Crore
- 2(a) Two percent of average net profit of the Company as per section 135(5): 0.7474 Crore
- 2(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- 2(c) Amount required to be set off for the financial year, if any: NIL
- 2(d) Total CSR obligation for the financial year (7a+7b-7c): 0.7474 Crore

3(a) CSR amount spent or unspent for the financial year:

TOTAL AMOUNT Spent For the Financial Year (in Rs)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent		Amount transferred to any fund specified under		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
10.26 lacs	66 lacs	26-04-2022			

3(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities In Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in Rs)	Amount spent in the current financial Year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing agency	
				State	District						Name	CSR Registration No
	NA											
	NA											
	NA											

3(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the Project (in Rs)	Mode of Implementation - Direct (Yes/No)
				State	District		
1	Promoting health care including preventive health care and sanitation	(i)	Kolkata	West Bengal		9 lacs	Through Credai Bengal Committee
2	Promoting health care including preventive health care and sanitation	(i)	Kolkata	West Bengal		0.42 lacs	Directly
3	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	(vi)	Kolkata	West Bengal		0.84 lacs	Directly

For AGRAWAL TONDON & CO.  
Chartered Accountants  
Firm Registration No : 329088E

*Radhakrishnan Tondon*

Radhakrishnan Tondon  
Partner  
Membership No- 060534

Place: Kolkata  
Dated: 3rd December, 2022

For South City Projects (Kolkata) Ltd.

*P. Agne*  
Company Secretary (M. No: F8011)

For and on behalf of Board of Directors  
For South City Projects (Kolkata) Ltd.

*[Signature]*  
Director (DIN: 00920819)

For South City Projects (Kolkata) Ltd.

*[Signature]*  
Director (DIN: 00627506)

