



**bakeri**  
since 1959

Environment™  
is our Attitude

**bakeri urban development pvt. ltd.**  
'sanskrut', near old high court,  
off ashram rd., ahmedabad - 380 009, india.  
tel. : 91-79-40001300 • fax : 91-79-40001399  
e-mail : info@bakeri.com  
web : www.bakeri.com  
**CIN No. : U70100GJ1996PTC030783**

04<sup>th</sup> September 2020

To,  
Bombay Stock Exchange Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Rotuda Building, Dalal Street, Fort,  
Mumbai-400 001

Ref : BSE Code - 953518

**Sub : Audited Financial Results for the year ending 31<sup>st</sup> March, 2020.**

Dear sir,

Pursuant to Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith audited financial results for the year ending 31<sup>st</sup> March, 2020, along with Audit report as submitted by the Statutory Auditors of the Company.

We request you to take the same in your records.

Thanking you,  
Yours faithfully,

For, Bakeri Urban Development Pvt. Ltd.

Authorized Signatory  
Compliance Officer



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**
**Standalone Balance Sheet as at 31st March, 2020**

(Amount in ₹)

S. No.	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	Property, Plant and Equipment	1	26,12,279	33,87,962
	Intangible assets	1	1,24,964	1,56,205
	Intangible assets under development	1	4,07,226	4,07,226
	Investment Property	2	1,60,19,561	1,62,77,285
	Financial Assets			
	Investments	3	2,56,000	2,56,750
	Deferred Tax Assets (Net)	4	5,10,469	5,78,873
	Other Non-Current Assets	5	62,07,692	1,99,94,390
	<b>Total Non-Current assets</b>		<b>2,61,38,191</b>	<b>4,10,58,691</b>
2	<b>Current assets</b>			
	Inventories	6	3,39,09,31,941	3,43,94,91,239
	Financial Assets			
	Investments	7	2,58,53,527	3,77,41,990
	Trade Receivables	8	20,90,64,098	30,51,57,856
	Cash and cash equivalents	9	13,36,732	4,72,65,019
	Loans	10	7,61,61,942	10,55,053
	Other Current Assets	11	2,00,86,370	4,30,34,143
	<b>Total Current Assets</b>		<b>3,72,34,34,610</b>	<b>3,87,37,45,301</b>
	<b>TOTAL ASSETS</b>		<b>3,74,95,72,801</b>	<b>3,91,48,03,992</b>
II	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity:</b>			
	Equity Share Capital	12	1,00,750	1,00,750
	Other Equity	13	11,75,97,123	12,80,77,018
	<b>Total Equity</b>		<b>11,76,97,873</b>	<b>12,81,77,768</b>
2	<b>Non-current liabilities</b>			
	Financial Liabilities:			
	Borrowings	14	1,62,29,59,379	1,96,63,44,949
	Other Financial Liabilities	15	50,80,40,575	36,11,27,672
	Provisions	16	2,40,052	-
	<b>Total Non-Current Financial Liabilities</b>		<b>2,13,12,40,006</b>	<b>2,32,74,72,621</b>
3	<b>Current liabilities</b>			
	Financial Liabilities			
	Borrowings	17	1,09,90,46,325	99,32,77,291
	Trade Payables	18	46,47,160	79,40,953
	Other Financial Liabilities	19	19,94,80,882	18,39,88,265
	Other Current Liabilities	20	19,74,60,555	27,39,47,095
	<b>Total Current Liabilities</b>		<b>1,50,06,34,922</b>	<b>1,45,91,53,604</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,74,95,72,801</b>	<b>3,91,48,03,992</b>
	<b>Significant Accounting Policies</b>	A-C		
	See accompanying notes forming part of the Standalone Financial Statements	30-37		

As per our report of even date

For, Sanjay Vastupal &amp; Co.

Chartered Accountants

Firm Reg. No.: 109187W



Proprietor: Sanjay V. Shah

M.No.: 041827

Place: Ahmedabad

UDIN:- 20041827AAAA NM 5684

Date: 04th September 2020

For, Bakeri Urban Development Private Limited

 Anil R Bakeri  
 Director  
 (DIN:00784445)



 Pavan A. Bakeri  
 Director  
 (DIN:00640308)


 Asit N. Somani  
 Company Secretary

**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**
**Standalone Statement of Profit and Loss for the year ended on 31st March, 2020**

(Amount in ₹)

S. No.	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	<b>INCOME</b>			
I	Revenue from operations	21	62,45,85,091	47,47,27,064
II	Other income	22	8,73,597	3,46,198
III	<b>TOTAL INCOME(I+II)</b>		<b>62,54,58,688</b>	<b>47,50,73,262</b>
IV	<b>EXPENSES</b>			
a	Cost of material consumed	23	26,72,60,425	29,40,90,268
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	3,23,10,217	(15,36,37,916)
c	Employee benefits expenses	25	2,34,15,735	2,14,06,408
d	Finance costs	26	17,62,12,909	20,66,74,950
e	Depreciation and amortization expense	27	10,64,647	11,66,412
f	Other expenses	28	12,02,43,276	13,49,02,245
V	<b>TOTAL EXPENSES</b>		<b>62,05,07,209</b>	<b>50,46,02,367</b>
VI	<b>Profit / (Loss) before tax (III-V)</b>		<b>49,51,479</b>	<b>(2,95,29,106)</b>
VII	<b>Tax Expense</b>			
a	Current Tax		46,84,872	-
b	Earliar Years Tax		1,05,80,417	(79,094)
c	Deferred Tax		68,404	(3,42,056)
VIII	<b>Profit / (Loss) for the period (VI-VII)</b>		<b>(1,03,82,214)</b>	<b>(2,91,07,956)</b>
	<b>Other Comprehensive Income</b>			
	Remeasurements of the Defined Benefit Plan		(97,681)	-
	<b>Profit / (Loss) for the period</b>		<b>(1,04,79,895)</b>	<b>(2,91,07,956)</b>
IX	<b>Earning per equity share</b>			
a	Basic	29	(1,040.19)	(2,889.13)
b	Diluted		(1,040.19)	(2,889.13)
	<b>Significant Accounting Policies</b>	A-C		
	See accompanying notes forming part of the Standalone Financial Statements	30-37		

As per our report of even date

For, Sanjay Vastupal &amp; Co.

Chartered Accountants

Firm Reg. No : 109187W

For, Bakeri Urban Development Private Limited

Proprietor : Sanjay V. Shah

M:No : 041827

Place : Ahmedabad

UDIN:- 20041827AAAA NM5684

Date : 04th September 2020



 Anil R Bakeri  
 Director  
 (DIN:00784445)



 Pavan A. Bakeri  
 Director  
 (DIN:00640308)



 Asit N. Somani  
 Company Secretary

**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**
**Standalone Cash Flow Statement for the year ended 31st March, 2020**

(Amount in ₹)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>A. Cash flow from operating activities</b>				
<b>Net Profit / (Loss) before tax</b>		<b>49,51,479</b>		<b>(2,95,29,106)</b>
<i>Adjustments for:</i>				
Depreciation and amortisation	10,64,647		11,66,412	
Finance costs	17,62,12,909		20,66,74,950	
Interest income	(12,02,143)		(11,93,677)	
Share of profit/(Loss) from partnership firms	1,18,88,464		(49,61,230)	
Dividend Income	(30,000)		(12,500)	
Provision for Gratuity	1,42,371			
Remeasurement of Defined Benefit Plan				
		<b>18,80,76,248</b>		<b>20,16,73,956</b>
<b>Operating profit / (loss)</b>		<b>19,30,27,727</b>		<b>17,21,44,850</b>
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	4,85,59,299		(10,69,08,120)	
Trade receivables	9,60,93,758		71,01,608	
Short-term loans and advances	(5,21,59,116)		15,01,066	
Long-term loans and advances	1,37,86,698		(1,10,12,518)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(32,93,793)		(53,63,911)	
Short Term provisions				
Other current liabilities	(7,64,86,539)		7,15,59,744	
<b>Cash generated from operations</b>		<b>2,65,00,307</b>		<b>(4,31,22,131)</b>
Net income tax (paid) / refunds		(1,52,65,289)		79,094
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>20,42,62,745</b>		<b>12,91,01,813</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	-		(62,129)	
Purchase of Investment	750		(3,000)	
Change in Current Investment	1,18,88,463		(49,61,230)	
Share of Profit/(Loss) from Partnership Firm	(1,18,88,464)		49,61,230	
Interest Income	12,02,143		11,93,677	
Dividend Income	30,000		12,500	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>12,32,892</b>		<b>11,41,047</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from / (Repayment of) long-term borrowings	(34,33,85,571)		(22,20,76,894)	
Proceeds from / (Repayment of) short-term borrowings	12,12,61,651		13,73,05,244	
Other Financial Liability	14,69,12,905		13,39,51,684	
Finance cost	(17,62,12,909)		(20,66,74,950)	
Interest Income				
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(25,14,23,924)</b>		<b>(15,74,94,916)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(4,59,28,287)</b>		<b>(2,72,52,056)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>4,72,65,019</b>		<b>7,45,17,076</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>13,36,732</b>		<b>4,72,65,019</b>



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**

Standalone Cash Flow Statement for the year ended 31st March, 2020

(Amount in ₹)

Reconciliation of Cash and Cash Equivalents as per the Standalone Statement of Cash Flows  
Cash and Cash Equivalents as per the above comprise of the following :

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash and Cash Equivalents (refer note 9)	13,36,732	4,72,65,019
<b>Total</b>	<b>13,36,732</b>	<b>4,72,65,019</b>

**Notes:**

(i) The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS) -7 Statement of Cash Flows

See accompanying notes forming part of the financial statements

As per our report of even date

For, Sanjay Vastupal & Co.

Chartered Accountants

Firm Reg. No : 189187W

Proprietor : Sanjay V. Shah

M:No : 041827

Place : Ahmedabad

Date : 04th September 2020

For, Bakeri Urban Development Private Limited

  
Anil R. Bakeri  
Director  
(DIN:00784445)

  
Pavan A. Bakeri  
Director  
(DIN:00640308)

  
Asit N. Somani  
Company Secretary

**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
Notes forming part of the Standalone Financial Statements  
FY 2019-2020

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**A. COMPANY OVERVIEW**

Bakeri Urban Development Private Limited (the Company) is a private limited company [CIN: U70100GJ1996PTC030783] domiciled in India and is incorporated under the Companies Act, 1956. The Company's registered office is located at "Sanskrut" First Floor, Old High Court Road, Off Ashram Road, Navrangpura, Ahmedabad, Gujarat, India-380009. The Company's Non-Convertible Debentures are listed on The Bombay Stock Exchange Limited (BSE)

Bakeri Urban Development Private Limited is engaged in real estate development.

**B. BASIS OF PREPARATION AND MEASUREMENT**

**a) Statement of Compliance**

The standalone financial statements of the company have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under the Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions and amendments, as applicable.

The standalone financial statements of the Company for the year ended March 31, 2020 were authorised for issue by the Board of Directors on 04<sup>th</sup> September 2020.

**b) Functional and presentation currency**

These standalone financial statements are presented in Indian rupees, which is also the functional currency of the company. All financial information presented in Indian rupees, unless otherwise stated.

**c) Basis of measurement**

These financial statements have been prepared on historical cost basis except certain financial instruments and defined benefit plans measured at fair value.

**d) Use of estimates and judgements**

The preparation of the standalone financial statements in conformity with IND AS requires the use of estimates, judgements and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**FY 2019-2020**

• Evaluation of satisfaction of performance obligation for the purpose of revenue recognition

Determination of revenue under the satisfaction of performance obligation necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The company recognises revenue when the company satisfies its performance obligation

• Evaluation of Net realisable Value of Inventories

Inventories comprising of finished goods and construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the standalone financial statements for the period in which such changes are determined.

• Useful life and residual value of property, plant and equipment and intangible assets

Useful lives of tangible and intangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different based from that prescribed in Schedule II of the Act, they are based on internal technical evaluation. Assumptions are also made, when the company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

The estimation of residual value of assets is based on management's judgment about the condition of such asset at the point of sale of asset.

• Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities. The period to maturity of the underlying securities correspond to the probable maturity of the post-employment benefit obligations.

• Impairment losses on investment

The company reviews its carrying value of investments carried at amortised cost annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

• Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

**e) Measurement of fair values**

The company's accounting policies and disclosures require the measurement of fair values for financial and nonfinancial assets and liabilities.



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**FY 2019-2020**

The company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

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

Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

**f) Operating Cycle**

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realisation of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

**C. SIGNIFICANT ACCOUNTING POLICIES**

**a. Property, plant and equipment and depreciation and amortisation**

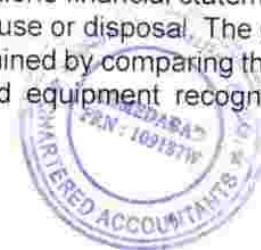
**i) Recognition and Measurement:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised from the standalone financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment recognised in the



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**FY 2019-2020**

standalone statement of profit and loss in the year of occurrence.

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

iii) Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment of the company has been provided using the written down value method based on the useful lives specified in Schedule II to the Companies Act, 2013. The residual value of Properties, Plant & Equipment's are estimated at 5% of actual cost.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**b. Investment property and depreciation**

i) Recognition and measurement:

Investment properties comprises of land and building are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation.

ii) Depreciation

Depreciation on Investment Property is provided using the Straight-Line method based on the useful lives specified in Schedule II to the Companies Act, 2013.

**c. Intangible assets and amortisation**

i) Recognition and measurement:

Items of Intangible Assets are measured at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**FY 2019-2020**

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iii) Amortisation

Intangible assets are amortised over their estimated useful life using Written Down method. Intangible assets are amortised over a period of Fifteen years. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**d. Impairment of non-financial assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment loss is recognised for such excess amount. The impairment loss is recognised as an expense in the standalone statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the standalone statement of profit and loss, to the extent the amount was previously charged to the standalone statement of profit and loss. In case of revalued assets, such reversal is not recognised.

**e. Investment in subsidiaries, joint ventures and associate**

Investments in equity shares of subsidiaries, joint ventures and associate are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, joint ventures and associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

**f. Inventories**

Inventories are valued as under:

- a) Finished Goods – At Lower of Cost and Net realisable value.
- b) Construction Work-in-Progress - At Lower of Cost and Net realisable value.

Costs are determined on a weighted average basis.

Construction Work-in-Progress/Finished Goods includes cost of land, Land Development rights, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the company.

Net realisable 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. The inventory of



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**FY 2019-2020**

construction work-in- progress is not written down below cost if flats /properties are expected to be sold at or above cost.

**g. Revenue Recognition**

The company derives revenues primarily from sale of properties comprising of both commercial ,residential units and Plotted developments.

The company recognises revenue when it determines the satisfaction of performance obligations at a point in time and subsequently over time when the company has enforceable right for payment for performance completed to date. Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the company expects to receive in exchange for those products.

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

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

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

**Interest income**

Interest income is accounted on an accrual basis at effective interest rate. Interest on delayed payment and forfeiture income are accounted based upon underlying agreements with customers.

**Dividend income and share of profits or Loss from Partnership Firms**

Dividend income and share of profits in Partnership Firms is recognised when the right to receive the same is established.

**h. Income tax**

Income tax expense comprises current tax and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**FY 2019-2020**

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***Current tax***

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to realise the asset and settle the liability on a net basis or simultaneously.

***Deferred tax***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset only if:

- a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**i. Employee benefits**

***Short term employee benefits***

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**FY 2019-2020**

***Defined contribution plans***

Obligations for contributions to defined contribution plans such as Provident Fund and Employee State Insurance Corporations are expensed as the related service is provided.

***Defined benefit plans***

The company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income (OCI). Re-measurement, if any, are not reclassified to the standalone statement of profit and loss in subsequent period. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, based on the market yield on government securities as at the reporting date, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the standalone statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the standalone statement of profit and loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

***Other long-term employee benefits***

The company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. They are therefore measured at the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. The discount rates used are based on the market yields on government securities as at the reporting date. Re-measurements are recognised in the standalone statement of profit and loss in the period in which they arise.

***j. Borrowing costs***

Borrowing costs are interest and other costs that the company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, pertaining to development of long-term projects, are transferred to construction work in progress, as part of the cost of the projects till the time all the activities necessary to prepare these projects for its intended use or sale are complete.

The entity shall suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset

The entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Standalone Financial Statements**  
**FY 2019-2020**

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**k. 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.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

**l. Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. If potential equity shares converted into equity shares increases the earnings per share, then they are treated as anti-dilutive and anti-dilutive earning per share is computed.

**m. Provisions and contingent liabilities**

A provision is recognised when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. The unwinding of the discount is recognised as finance cost.

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

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

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

**n. Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**

**Consolidated Balance Sheet as at 31st March, 2020**

(Amount in ₹)

S. No.	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Property, Plant and Equipment	1	26,12,279	33,87,962
	Intangible assets	1	1,24,964	1,56,205
	Intangible assets under development	1	4,07,226	4,07,226
	Investment Property	2	1,60,19,561	1,62,77,285
	Financial Assets			
	Investments	3	2,06,000	2,06,750
	Deferred Tax Assets (Net)	4	5,10,469	5,78,873
	Other Non-Current Assets	5	62,07,692	2,02,73,526
	<b>Total Non-Current assets</b>		<b>2,60,88,191</b>	<b>4,12,87,827</b>
<b>2</b>	<b>Current assets</b>			
	Inventories	6	353,78,72,211	3,58,68,11,695
	Financial Assets			
	Investments	7	-	-
	Trade Receivables	8	21,84,77,306	31,49,71,235
	Cash and cash equivalents	9	13,89,802	4,72,84,382
	Loans	10	9,47,54,578	10,55,053
	Other Current Assets	11	2,03,90,504	4,33,81,514
	<b>Total Current Assets</b>		<b>387,28,84,401</b>	<b>3,99,35,03,879</b>
	<b>TOTAL ASSETS</b>		<b>389,89,72,592</b>	<b>4,03,47,91,707</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity:</b>			
	Equity Share Capital	12	1,00,750	1,00,750
	Other Equity	13	11,75,87,774	12,80,72,057
	Capital Reserve on Consolidation		(49,821)	(49,821)
	Minority interest		24,13,484	34,51,645
	<b>Total Equity</b>		<b>12,00,52,187</b>	<b>13,15,74,631</b>
<b>2</b>	<b>Non-current liabilities</b>			
	Financial Liabilities:			
	Borrowings	14	162,29,59,379	1,96,63,44,949
	Other Financial Liabilities	15	50,80,40,575	36,11,27,672
	Provisions	16	2,40,052	-
	<b>Total Non-Current Financial Liabilities</b>		<b>213,12,40,006</b>	<b>2,32,74,72,621</b>
<b>3</b>	<b>Current liabilities</b>			
	Financial Liabilities			
	Borrowings	17	124,18,68,381	1,10,75,17,323
	Trade Payables	18	46,47,160	79,73,453
	Other Financial Liabilities	19	19,94,80,882	18,39,88,265
	Other Current Liabilities	20	20,16,83,976	27,62,65,413
	<b>Total Current Liabilities</b>		<b>164,76,80,399</b>	<b>1,57,57,44,454</b>
	<b>TOTAL-EQUITY AND LIABILITIES</b>		<b>389,89,72,592</b>	<b>4,03,47,91,707</b>
	<b>Significant Accounting Policies</b>	A-C		
	See accompanying notes forming part of the balance sheet	30-37		

As per our report of even date

For, Sanjay Vastupal & Co.

Chartered Accountants

Firm Reg. No. C-109187W

AHMEDABAD

Proprietor: Sanjay V. Shah

M.No: 041827

Place: Ahmedabad

UDIN:- 20041827AAAAANN4900

Date: 04th September 2020

FOR BAKERI URBAN DEVELOPMENT PRIVATE LIMITED

*Anil R. Bakeri*      *Pavan A. Bakeri*      *Asit N. Somani*

Anil R Bakeri  
Director  
(DIN:00784445)

Pavan A. Bakeri  
Director  
(DIN:00640308)

Asit N. Somani  
Company Secretary

**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**
**Consolidated Statement of Profit and Loss for the period ended on  
31st March, 2020**

(Amount in ₹)

S. No.	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	<b>REVENUE FROM OPERATIONS</b>			
I	Revenue from operations	21	63,77,12,963	52,03,95,828
II	Other income	22	9,75,255	3,91,791
III	<b>TOTAL REVENUE(I+II)</b>		<b>63,86,88,218</b>	<b>52,07,87,619</b>
IV	<b>EXPENSES</b>			
a	Cost of material consumed	23	26,72,60,425	29,40,90,268
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	3,26,90,404	(12,56,00,391)
c	Employee benefits expenses	25	2,38,26,399	2,29,87,862
d	Finance costs	26	18,89,39,105	22,06,77,629
e	Depreciation and amortization expense	27	10,64,647	11,66,412
f	Other expenses	28	12,09,82,682	13,65,73,454
V	<b>TOTAL EXPENSES</b>		<b>63,47,63,662</b>	<b>54,98,95,234</b>
VI	<b>Profit / (Loss) before tax (VII-VIII)</b>		<b>39,24,556</b>	<b>(2,91,07,615)</b>
VII	<b>Tax Expense</b>			
a	Current Tax		46,84,872	-
b	Earlier Years Tax		1,05,96,047	(79,094)
c	Deferred Tax		68,405	(3,42,056)
VIII	<b>Profit / (Loss) for the period (VI-VII)</b>		<b>(1,14,24,768)</b>	<b>(2,86,86,465)</b>
	<b>Other Comprehensive Income</b>			
	Remeasurement of Defined Benefit Plan		(97,681)	-
	<b>Profit / (Loss) for the period</b>		<b>(1,15,22,449)</b>	<b>(2,86,86,465)</b>
	<b>Profit attributable to:</b>			
	Owners of the Company		(1,03,86,603)	(2,91,12,916)
	Non-Controlling Interests		(10,38,165)	4,26,450
XII	Earning per equity share			
a	Basic	29	(1,030.93)	(2,889.62)
b	Diluted		(1,030.93)	(2,889.62)
	<b>Significant Accounting Policies</b>	A-C		
	See accompanying notes forming part of the balance sheet	30-37		

 As per our report of even date  
For, Sanjay Vastupal & Co.  
Chartered Accountants  
Firm Reg. No : 109187W

Proprietor: Sanjay V. Shah

M:No : 041827

Place : Ahmedabad

UDIN: 20041827AAAANN4900

Date : 04th September 2020

 FOR BAKERI URBAN DEVELOPMENT  
PRIVATE LIMITED

Anil R Bakeri

 Director  
(DIN:00784445)

Pavan A. Bakeri

 Director  
(DIN:00640308)

Asit N. Somani

Company Secretary

**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**

Consolidated Cash Flow Statement for the year ended 31st March, 2020

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>A. Cash flow from operating activities</b>				
<b>Net Profit / (Loss) before extraordinary items and tax</b>		39,24,556		(2,91,07,615)
<i>Adjustments for:</i>				
Depreciation and amortisation	10,64,647		11,66,412	
Finance costs	18,89,39,105		22,06,77,629	
Interest income	(13,03,801)		(12,35,623)	
Dividend Income	(30,000)		(12,500)	
Provision for Gratuity	1,42,371		-	
		18,88,12,322		22,05,95,918
<b>Operating profit / (loss)</b>		19,27,36,878		19,14,88,303
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	4,89,39,485		(7,88,70,594)	
Trade receivables	9,64,93,930		89,25,103	
Short-term loans and advances	(7,07,08,515)		21,12,722	
Long-term loans and advances	1,40,65,835		(1,12,91,654)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(33,26,292)		(53,31,411)	
Other current liabilities	(7,45,81,437)		7,22,81,409	
<b>Cash generated from operations</b>		1,08,83,006		(1,21,74,425)
Net income tax (paid) / refunds		(1,52,80,919)		79,094
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>18,83,38,965</b>		<b>17,93,92,972</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	-		(62,129)	
Proceeds from (Purchase)/ Sale of Investment	750		(3,000)	
Dividend Income	30,000		12,500	
Interest Income	13,03,801		12,35,623	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>13,34,551</b>		<b>11,82,994</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from / (Repayment of) long-term borrowings	(34,33,85,571)		(37,27,86,303)	
Proceeds from / (Repayment of) short-term borrowings	14,98,43,675		25,15,45,274	
Other Financial Liability	14,69,12,903		13,39,51,684	
Finance cost	(18,89,39,105)		(22,06,77,629)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(23,55,68,098)</b>		<b>(20,79,66,974)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(4,58,94,582)</b>		<b>(2,73,91,008)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>4,72,84,382</b>		<b>7,46,75,390</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>13,89,802</b>		<b>4,72,84,382</b>



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
 Consolidated Cash Flow Statement for the year ended 31st March, 2020

Reconciliation of Cash and Cash Equivalents as per the Consolidated Statement of Cash Flows  
 Cash and Cash Equivalents as per the above comprise of the following :

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash and Cash Equivalents (refer note 9)	13,89,802	4,72,84,382
<b>Total</b>	<b>13,89,802</b>	<b>4,72,84,382</b>

**Notes:**

(i) The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS) -7 Statement of Cash Flows.

See accompanying notes forming part of the financial statements

As per our report of even date  
 For, Sanjay Vestupal & Co.  
 Chartered Accountants  
 Firm Reg. No. : 109127W

For, Bakeri Urban Development Private Limited

Proprietor / Sanjay V. Shah  
 M:No : 041827  
 Place : Ahmedabad

Anil R. Bakari  
 Director  
 (DIN:00784445)

Pavani A. Bakari  
 Director  
 (DIN:00640308)

Asit N. Somani  
 Company Secretary

**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
Notes forming part of the Consolidated Financial Statements  
FY 2019-2020

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**A. COMPANY OVERVIEW**

Bakeri Urban Development private Limited (the Company) is a private limited company [CIN: U70100GJ1996PTC030783], together with its subsidiaries collectively referred to as ("the Group"), is engaged primarily in the business of real estate construction, development and other related activities. The company is domiciled in India and is incorporated under the Companies Act, 1956. The Company's registered office is located at "Sanskrut" First Floor, Old High Court Road, Off Ashram Road, Navrangpura, Ahmedabad, Gujarat, India-380009. The Company's Non-Convertible Debentures are listed on The Bombay Stock Exchange Limited (BSE)

**B. BASIS OF PREPARATION AND MEASUREMENT**

**a) Statement of Compliance**

The financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the Company, i.e. March 31, 2020.

The Consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under the Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions and amendments, as applicable.

The Consolidated financial statements of the Company for the year ended March 31, 2020 were authorised for issue by the Board of Directors on 04<sup>th</sup> September 2020.

**b) Functional and presentation currency**

These Consolidated financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees, unless otherwise stated.

**c) Basis of measurement**

These financial statements have been prepared on historical cost basis except certain financial instruments and defined benefit plans measured at fair value.

**d) Use of estimates and judgements**

The preparation of the Consolidated financial statements in conformity with IND AS requires the use of estimates, judgements and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Consolidated Financial Statements**  
**FY 2019-2020**

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Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

• Evaluation of satisfaction of performance obligation for the purpose of revenue recognition

Determination of revenue under the satisfaction of performance obligation necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The Group recognises revenue when the Group satisfies its performance obligation.

• Evaluation of Control

The Group makes assumptions, when assessing whether it exercises control, joint control or significant influence over entities in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment.

• Evaluation of Net realisable Value of Inventories

Inventories comprising of finished goods and construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the Consolidated financial statements for the period in which such changes are determined.

• Useful life and residual value of property, plant and equipment and intangible assets

Useful lives of tangible and intangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different based from that prescribed in Schedule II of the Act, they are based on internal technical evaluation. Assumptions are also made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

The estimation of residual value of assets is based on management's judgment about the condition of such asset at the point of sale of asset.

• Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities. The period to maturity of the underlying securities correspond to the probable maturity of the post-employment benefit obligations.



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Consolidated Financial Statements**  
**FY 2019-2020**

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**• Impairment losses on investment**

The Company reviews its carrying value of investments carried at amortized cost annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**• Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

**e) Measurement of fair values**

The Group accounting policies and disclosures require the measurement of fair values for financial and nonfinancial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

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

Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

**f) Operating Cycle**

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Consolidated Financial Statements**  
**FY 2019-2020**

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**C. SIGNIFICANT ACCOUNTING POLICIES**

**D. Basis of Consolidation**

**i) Subsidiaries**

Subsidiaries are all entities that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis while eliminating the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the consolidated statement of profit and loss.

**ii) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Deferred tax asset or liability is created on any temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

**b. Property, plant and equipment and depreciation and amortization**

**i) Recognition and Measurement:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognized from the Consolidated financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment recognized in the Consolidated statement of profit and loss in the year of occurrence.

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and



**BAKERI URBAN DEVELOPMENT PRIVATE LIMITED**  
**Notes forming part of the Consolidated Financial Statements**  
**FY 2019-2020**

equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment of the Company has been provided using the written down value method based on the useful lives specified in Schedule II to the Companies Act, 2013. The residual value of Properties, Plant & Equipments are estimated at 5% of actual cost.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**b. Investment property and depreciation**

i) Recognition and measurement:

Investment properties comprises of land and building are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation.

ii) Depreciation

Depreciation on Investment Property is provided using the Straight-Line method based on the useful lives specified in Schedule II to the Companies Act, 2013.

**c. Intangible assets and amortization**

i) Recognition and measurement:

Items of Intangible Assets are measured at cost less accumulated amortization and impairment losses, if any. The cost of intangible assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Amortization

Intangible assets are amortized over their estimated useful life using Written Down method.



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Intangible assets are amortized over a period of Fifteen years.  
Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**d. Impairment of non-financial assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment loss is recognized for such excess amount. The impairment loss is recognized as an expense in the Consolidated statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Consolidated statement of profit and loss, to the extent the amount was previously charged to the Consolidated statement of profit and loss. In case of revalued assets, such reversal is not recognized.

**e. Investment in subsidiaries, joint ventures and associate**

Investments in equity shares of subsidiaries, joint ventures and associate are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, joint ventures and associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

**f. Inventories**

Inventories are valued as under:

- a) Finished Goods – At Lower of Cost and Net realizable value.
- b) Construction Work-in-Progress - At Lower of Cost and Net realizable value.

Costs are determined on a weighted average basis.

Construction Work-in-Progress/Finished Goods includes cost of land, Land Development rights, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

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. The inventory of construction work-in-progress is not written down below cost if flats /properties are expected to be sold at or above cost.



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**g. Revenue Recognition**

The Group derives revenues primarily from sale of properties comprising of both commercial residential units and Plotted Developments.

The Group recognizes revenue when it determines the satisfaction of performance obligations at a point in time and subsequently over time when the Group has enforceable right for payment for performance completed to date. Revenue is recognized upon transfer of control of promised products to customer in an amount that reflects the consideration which the Group expects to receive in exchange for those products.

In arrangements for sale of units the Company has applied the guidance in IND AS 115, on "Revenue from contracts with customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative Consolidated selling price. The price that is regularly charged for an item when sold separately is the best evidence of its Consolidated selling price. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

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

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

**Interest income**

Interest income is accounted on an accrual basis at effective interest rate. Interest on delayed payment and forfeiture income are accounted based upon underlying agreements with customers.

**Dividend income and share of profits or Loss from Partnership Firms**

Dividend income and share of profits in Partnership Firms is recognized when the right to receive the same is established.

**h. Income tax**

Income tax expense comprises current tax and deferred tax. It is recognized in the Consolidated statement of profit and loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.



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***Current tax***

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to realize the asset and settle the liability on a net basis or simultaneously.

***Deferred tax***

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset only if

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**i. Employee benefits**

***Short term employee benefits***

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related services provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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***Defined contribution plans***

Obligations for contributions to defined contribution plans such as Provident Fund and Employee State Insurance Corporations are expensed as the related service is provided.

***Defined benefit plans***

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income (OCI). Re-measurement, if any, are not reclassified to the Consolidated statement of profit and loss in subsequent period. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, based on the market yield on government securities as at the reporting date, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in the Consolidated statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Consolidated statement of profit and loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

***Other long-term employee benefits***

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. They are therefore measured at the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. The discount rates used are based on the market yields on government securities as at the reporting date. Re-measurements are recognized in the Consolidated statement of profit and loss in the period in which they arise.

***j. Borrowing costs***

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, pertaining to development of long-term projects, are transferred to Construction work in progress, as part of the cost of the projects till the time all the activities necessary to prepare these projects for its intended use or sale are complete.

The Group suspend capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset

The Group cease capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.



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**k. 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.

For the purpose of the Consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**l. Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. If potential equity shares converted into equity shares increases the earnings per share, then they are treated as anti-dilutive and anti-dilutive earning per share is computed.

**m. Provisions and contingent liabilities**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. The unwinding of the discount is recognized as finance cost.

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

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

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

**n. Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the Consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

