

TWENTY FIVE SOUTH REALTY LIMITED

**24TH ANNUAL REPORT
2019 – 2020**

BOARD OF DIRECTORS

MR. DATTATRAYA PRABHU (upto August 01,2020)	NON-EXECUTIVE DIRECTORS
MR. RUSHANK SHAH	
Mr. ANIL AHLUWALIA (from June 29, 2020)	
MR. SUNIL SHAH (from January 7, 2020)	INDEPENDENT DIRECTOR

KEY MANAGERIAL PERSONNEL

MS. PRIYANKA CHOUBEY - COMPANY SECRETARY (from FEBRUARY 29, 2020)
MS. ALAKNANDA PURAV - CHIEF FINANCIAL OFFICER (from APRIL 15, 2020)
MR. NARENDRAKUMAR REDKAR - CHIEF EXECUTIVE OFFICER (from APRIL 15, 2020)

STATUTORY AUDITORS

M/S. M.H DALAL & ASSOCIATES
CHARTERED ACCOUNTANTS

INTERNAL AUDITORS

M/S. NIRAJ D. ADATIA & ASSOCIATES
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITORS

M/S. MITESH J. SHAH & ASSOCIATES
COMPANY SECRETARIES

TRUSTEES FOR DEBENTURE HOLDERS

VISTRA ITCL (INDIA) LIMITED
THE IL&FS FINANCIAL CENTRE, PLOT C-22, G BLOCK,
BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI - 400 051

REGISTERED OFFICE

HINDOOSTAN MILLS COMPOUND, KASHINATH DHURI MARG,
PATILWADI, OFF VEER SAVARKAR ROAD, PRABHADEVI, MUMBAI - 400025
CIN-U51100MH1996PLC100876

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NOTICE OF TWENTY FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON THURSDAY, DECEMBER 03, 2020 AT 10.30 AM THROUGH VIDEO CONFERENCING (VC) OR OTHER AUDIO VISUAL MEANS (OAVM) AS MAY BE PRESCRIBED TO TRANSACT THE FOLLOWING SPECIAL BUSINESS TO TRANSACT THE FOLLOWING BUSINESSES: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon; and
2. To appoint a Director in place of Mr. Rushank Shan (DIN: 02960155), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification (s), the following Resolution:

As an Ordinary Resolution:

3. **APPOINTMENT OF MR. ANIL AHLUWALIA (DIN: 00597508) AS DIRECTOR OF THE COMPANY LIABLE TO RETIRE BY ROTATION**

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, Mr. Anil Ahluwalia (DIN: 00597508) who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 29, 2020 pursuant to the provisions of Section 161 (1) of the Act and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

Registered Office:

Hindoostan Mills Compound,
Kashinath Dhuri Marg, Patilwadi,
Off Veer Savarkar Road,
Prabhadevi, Mumbai-400025
CIN-U51100MH1996PLC100876

Mumbai

Date: November 02, 2020

**By Order of the Board of Directors
For Twenty Five South Realty Limited**

**Rushank Shah
Director
(DIN: 02960155)**

NOTES:

In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” read with General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/ 2020 dated April 13, 2020 in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19” (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Thursday, December 03, 2020 at 10:30 a.m. (IST).

PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.

The attendance of the Members attending the AGM through OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Corporate members intending to attend through their authorised representative, to attend the AGM are required to send a scanned copy (PDF/JPG format) a certified copy of its Board or governing body Resolution / Authorization to the Company, authorising them to attend and vote through VC/OAVM on their behalf at the AGM.

As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item No. 3 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forming part of this Notice.

Explanatory Statement pursuant to Section 102 of the Act relating to item no. 3 of the Notice of this 24th AGM, which are considered to be unavoidable by the Board of Directors of the Company, is annexed hereto as “**Annexure- I**”. Also, relevant details in respect of the Director seeking appointment/ re-appointment at the AGM, in terms of Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard – 2 on General Meetings is also annexed to this notice as “**Annexure- II**”.

Members may also note that the Notice of 24th Annual General Meeting and Annual Report 2019-2020 will be available on the website of the Company at www.25south.in.

The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be available electronically for

inspection by the members without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. December 03, 2020. Members seeking to inspect such documents can send an e-mail to info@twenty5south.com.

Members are requested to notify immediately any change in their registered address alongwith PIN Code, Email address, Telephone/Mobile numbers, PAN etc, to their DPs in case the shares are held in electronic form and to Company on info@twenty5south.com in respect of equity shares held in physical shares.

Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for all members.

The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM: Refer **“Annexure III”**

REMOTE E- VOTING INSTRUCTIONS FOR SHAREHOLDERS: Refer **“Annexure IV”**

“Annexure - I”

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following explanatory statement set out all the material facts relating to the Special Business set out at Item No. 3 of the accompanying Notice.

ITEM NO. 3

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on June 29, 2020 appointed Mr. Anil Ahluwalia (DIN: 00597508) as an Additional Director of the Company. In accordance with the provisions of Section 161 (1) of the Companies Act, 2013 (the Act), Mr. Anil Ahluwalia holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Anil Ahluwalia for the office of Director.

Mr. Anil Ahluwalia is not disqualified from being appointed as Director in terms of Section 164(2) of the Act and has given his consent to act as Director of the Company.

The Board recommends the passing of the resolution at Item No. 3 of the accompanying Notice.

Except for Mr. Anil Ahluwalia, the appointee, none of the Directors or KMP or their relatives is concerned or interested, financially or otherwise in the aforesaid resolution.

Registered Office:

Hindoostan Mills Compound,
Kashinath Dhuri Marg, Patilwadi,
Off Veer Savarkar Road,
Prabhadevi, Mumbai – 400025
CIN-U51100MH1996PLC100876

**By Order of the Board of Directors
For Twenty Five South Realty Limited**

**Rushank Shah
Director
(DIN: 02960155)**

Mumbai**Date: November 02, 2020**

Annexure - 'II'

Details of Director seeking appointment/reappointment in the ensuing Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of Secretarial Standard SS-2 on General Meetings

Name of the Directors →	Mr. Rushank Shah	Mr. Anil Ahluwalia
Particulars ↓ DIN →	02960155	00597508
Category	Non-Executive	Non-Executive
Age	33 years	58 years
Date of first appointment on Board	August 08, 2011	June 29, 2020
Qualification	Bachelor of General Law; Bachelor of Arts in Economics; Masters of Science in Real Estate Development	Bachelor of Commerce, Mumbai University
Experience in functional area	Over 11 years	Over 37 years
Nature of expertise in specific functional areas.	Sales, Designing, Project Management, Business Administration	Project management, strategic planning and business administration
Terms and conditions of appointment / reappointment along with details of remuneration sought to be paid	Appointed as Non-Executive Director in the Professional Category liable to retire by rotation. Remuneration-NA	Appointed as Non-Executive Director in the Professional Category liable to retire by rotation. Remuneration-NA
Remuneration last drawn	Not Applicable	Not Applicable
No. of shares held as on March 31, 2020 (either singly or as first named joint shareholder only)	Nil	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	None	None
No. of Board meetings attended during the year	9	Nil (Appointed on June 29, 2020)

Name of the Directors →	Mr. Rushank Shah	Mr. Anil Ahluwalia
Directorships in other companies as on March 31, 2020 (Public Limited Companies)	<ul style="list-style-type: none"> • Helik Advisory Limited • Gujarat Akruti – TCG Biotech Limited • Vama Housing Limited • Sita Power Limited • Vishal Nirman (India) Ltd 	<ul style="list-style-type: none"> • E Commerce Magnum Solution Limited
Membership / Chairmanship of Committees of other public limited companies (Audit Committee and Stakeholders Relationship Committee only)	None	None

“Annexure - III”

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM**Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
 - ▶ Select the “Company” and “Event Date” and register with your following details: -
 - A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/
Company shall use the sequence number provided to you, if applicable.
 - C. **Mobile No.:** Enter your mobile number.
 - D. **Email ID:** Enter your email id, as recorded with your DP/Company.
 - ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the Info@twenty5south.com created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

InstaMeet Support Desk

Link Intime India Private Limited

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application . Click on Run a temporary application , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

“Annexure - IV”

REMOTE E- VOTING INSTRUCTIONS FOR SHAREHOLDERS

Remote e-Voting Instructions for shareholders

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- ▶ Click on “**Sign Up**” under “**SHARE HOLDER**” tab and register with your following details: -
 - A. **User ID:** Enter your User ID
 1. Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 2. Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP I followed by 8 Digit Client ID**
 3. Shareholders/members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/
Company shall use the sequence number provided to you, if applicable.
 - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - Shareholders/members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
 - Shareholders/members holding shares in **NSDL demat account shall provide ‘D’, above**
 - Shareholders/members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above
- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click “confirm” (Your password is now generated).

NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.

4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- ▶ Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- ▶ Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character(@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

InstaVote Support Desk

Link Intime India Private Limited

DIRECTOR'S REPORT

**TO
THE MEMBERS
TWENTY FIVE SOUTH REALTY LIMITED**

Your Directors have pleasure in presenting their Twenty Fourth Annual Report on the business and operations of the Company together with the Audited Statements of Account for the financial year ended March 31, 2020 and the Independent Auditors' Report thereon.

FINANCIAL HIGHLIGHTS:

The financial highlights of the Company for the year ended March 31, 2020 are as hereunder:

(₹ In Lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total Income	641	1434
Total Expenses	1477	2313
Profit / (Loss) before Tax	(835)	(879)
Profit / (Loss) after Tax	(885)	(580)

STATE OF THE COMPANY'S AFFAIRS:

During the year under review, the total income of the Company decreased to ₹ 641 lakh from ₹ 1434 lakh in the previous year. The total expenses of the Company decreased from ₹ 2313 lakh in the previous year to ₹ 1477 lakh during the year under review. The net loss of the Company for the year under review stood at ₹ 885 lakh as against loss of ₹ 580 lakh in the previous year. The Financial Statements for the year under review have been prepared on the basis of going concern status of the Company.

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be medium term in nature. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

DIVIDEND:

In view of the loss incurred, the Directors have not recommended any dividend for the year under review.

TRANSFER TO RESERVES:

In view of the loss incurred, no amount has been transferred to Reserves during the year under review.

CHANGE IN NATURE OF BUSINESS:

During the year under review, there was no change in the nature of business of the Company.

CHANGES IN SHARE CAPITAL:

During the year under review, there has been no change in the share capital of the Company. As on March 31, 2020, the Authorised Share Capital of the Company was ₹ 2,000,000 (Rupees Twenty Lakh Only) and the paid up Equity Share Capital of the Company was ₹ 481,350 (Rupees Four Lakh Eighty One Thousand Three Hundred and Fifty Only) and paid up Preference Share Capital of the Company was ₹ 18,650 (Rupees Eighteen Thousand Six Hundred and Fifty Only).

DEBENTURES:

During the year under review, the Company has not issued any debentures. As on March 31, 2020, Listed, Rated Secured Cumulative Redeemable Non-convertible Debentures aggregating ₹ 570,000,000/- (Rupees Fifty Seven Crore Only) were outstanding.

MATERIAL CHANGES OR COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT:

During the year under review, no revision was made with respect to financial statements or Board Reports of the Company in respect of any of the three preceding financial years.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, the Company did not have any subsidiary, joint venture or an associate company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**Directors:**

- a) Mrs. Pushpaben Shah (DIN: 06995357), Mr. Bhavik Shah (DIN: 07108862), Independent Directors and Mr. D. V. Prabhu (DIN: 03142640), Non-Executive Director of the Company resigned with effect from December 30, 2019 and December 31, 2019 and August 1, 2020 respectively.
- b) The Board places on record its sincere gratitude and appreciation for the invaluable contribution by Mrs. Pushpaben Shah, Mr. Bhavik Shah and Mr. D. V. Prabhu respectively to the deliberations of the Board during their respective tenure as Director of the Company.
- c) At an Extraordinary General Meeting of the Company held on January 7, 2020, Mr. Sunil Shah (DIN:06947244) was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from January 07, 2020, to January 6, 2025.

At the meeting of the Board of Directors of the Company held on June 29, 2020, Mr. Anil Ahluwalia (DIN:00597508) was appointed as an Additional Director of the Company to hold office upto the date of the ensuing Annual General Meeting. Mr. Anil Ahluwalia being eligible, has offered himself for reappointment. The proposal for his reappointment has been included in the Notice convening the ensuing Annual General Meeting.

In accordance with the provisions of the Section 152 (6) (e) of the Companies Act, 2013, Mr Rushank Shah (DIN: 02960155), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

In terms of Section 149 (7) of the Companies Act, 2013, the Independent Director has furnished a declaration to the effect that he meets the criteria of independence as laid down under Section 149 (6) of the said Act.

None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013.

Brief resume of Mr. Rushank V. Shah and Mr. Anil Ahluwalia, nature of their expertise in specific functional areas, names of companies in which each of them is a director and member of Board committees and shareholding in the Company as required under clause 1.2.5 of Secretarial Standards SS-2 on general meetings, is furnished in the annexure to the Notice convening the Annual General Meeting.

During the year under review, the Independent Director and Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

None of the Directors of the Company are inter-se related to each other.

Key Managerial Personnel:

- (a) Ms. Priyanka Choubey was appointed as a Company Secretary and Compliance Officer of the Company with effect from February 29, 2020.
- (b) Ms. Alaknanda Purav was appointed as a Chief Financial Officer of the Company with effect from April 15, 2020.
- (c) Mr. Narendrakumar Redkar was appointed as a Chief Executive Officer of the Company with effect from April 15, 2020.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and the remuneration payable to them as provided under Section 178 (3) of the Companies Act, 2013 is appended as **Annexure – ‘A’** to this Report.

DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, no amount of deposit is outstanding as on the Balance Sheet date.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 as amended are not applicable to the Company.

BOARD MEETINGS:

During the year under review, 9 (Nine) meetings of the Board of Directors of the Company were held. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013, Secretarial Standard SS – 1 on Board meetings.

The dates and attendance of the Directors at the said meetings are as follows:

Sr. No.	Date of Board Meeting	Mr. Rushank Shah (DIN: 02960155)	Mr. DV Prabhu (DIN: 03142640) (upto August 1, 2020)	Mr. Bhavik Shah (DIN: 07108862)	Mrs. Pushpaben Shah (DIN: 06995357)	Mr. Sunil Shah (DIN: 06947244) (from January 7, 2020)
1.	April 10, 2019	Present	Present	Absent	Absent	Not Applicable
2.	May 04, 2019	Present	Present	Absent	Absent	Not Applicable
3.	May 22, 2019	Present	Present	Absent	Absent	Not Applicable
4.	August 10, 2019	Present	Present	Absent	Absent	Not Applicable
5.	August 27, 2019	Present	Present	Absent	Absent	Not Applicable
6.	November 11, 2019	Present	Present	Absent	Absent	Not Applicable
7.	December 14, 2019	Present	Present	Absent	Absent	Not Applicable
8.	February 08, 2020	Present	Present	Not Applicable	Not Applicable	Present
9.	February 29, 2020	Present	Present	Not Applicable	Not Applicable	Present

AUDIT COMMITTEE:

The Audit Committee was reconstituted on February 08, 2020 and June 29, 2020 respectively. The composition of the Audit Committee is as under:

Sr. No.	Name of Director	Board Designation	Committee Designation
1.	Mr. Sunil Shah (w.e.f. February 8, 2020)	Independent Director	Chairman
2.	Mr. Rushank Shah	Director	Member
3.	Mr. D.V Prabhu (upto August 1, 2020)	Director	Member
4.	Mr. Anil Ahluwalia (w.e.f. June 29, 2020)	Director	Member

The Statutory Auditors regularly attends the Audit Committee meetings. The Board has accepted all the recommendations made by the Audit Committee during the year under review.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee was reconstituted on February 08, 2020 and June 29, 2020 respectively. The composition of the Nomination and Remuneration Committee is as under-

Sr. No.	Name of Director	Board Designation	Committee Designation
1.	Mr. Sunil Shah (w.e.f. February 8, 2020)	Independent Director	Chairman
2.	Mr. Rushank Shah	Director	Member
3.	Mr. D.V Prabhu (upto August 1, 2020)	Director	Member
4.	Mr. Anil Ahluwalia (w.e.f. June 29, 2020)	Director	Member

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has carried out an annual evaluation of its own performance, the Board Committees and individual Directors, based on criteria determined by the Nomination and Remuneration Committee.

Performance evaluation of the Independent Director was done by the entire Board, excluding the Independent Director being evaluated.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to sub-section (3) (c) of Sections 134 (3) (c) and 134 (5) of the Companies Act, 2013, in relation to the annual financial statements of the Company for the year ended March 31, 2020, the Directors of the Company, to the best of their knowledge and belief and on the basis of the information and explanations received by them, hereby state and confirm that:

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards read with the requirements under Schedule III to the said Act have been followed along with proper explanation relating to material departures, if any;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31st March, 2020, and of the loss of the Company for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a 'going concern' basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS:

The Company has an Internal Control System, commensurate with the nature and size of its operations. Based on the framework of internal financial controls maintained by the Company and the work performed by the Statutory Auditors, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2019-2020.

SIGNIFICANT AND MATERIAL ORDERS:

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals against the Company impacting its going concern status and operations in future.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

As the Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186 of the Companies Act 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of the same are provided in the notes to the financial statements.

There were no investments made by the Company attracting the provisions of Section 186 (1) of the said Act.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts/arrangements/transactions, wherever entered into by the Company during the year under review with related parties were in the ordinary course of business and on an arm's length basis. During the year under review, the Company has not entered into any contract/arrangement with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which could be considered material. Accordingly, the disclosure of related party transactions to be provided under Section 134 (3) of the said act, in form AOC-2 is not applicable to the Company.

The particulars of transactions with related parties are disclosed in the relevant note to the financial statements.

EXTRACT OF ANNUAL RETURN:

In terms of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the Financial Year 2019-2020 in Form MGT-9 is appended as **Annexure 'B'** to this Report. The Annual Return has also been uploaded on the website of the Company at www.25South.in.

STATUTORY AUDITORS:

M/s. M. H. Dalal & Associates, Chartered Accountants (Firm Registration No. :112449W) were appointed as Statutory Auditor of the Company at the 22nd Annual General Meeting held on September 29, 2018 to hold office upto the date of the 27th Annual General Meeting to be held in the year 2023. As required under the provisions of Sections 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. M. H. Dalal & Associates confirming that they are eligible to continue as Auditors of the Company.

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer and therefore, does not call for any further comments.

REPORTING ON FRAUDS BY AUDITORS:

The Directors hereby confirm that no instances of fraud were reported by the Auditors under Section 143 (12) of the Companies Act, 2013 either to the Company or the Central Government.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Mitesh J. Shah & Associates a practising company secretary to carry out secretarial audit of the Company. The Secretarial Audit Report is appended as **Annexure "C"** to this Report.

As regards to the Secretarial Auditor's observations in sub-clauses (I, II, III, IV,V,VII) of the Secretarial Auditor's Report, the Directors have to state that:

“Due to inadvertence and through oversight, the Company was unable to comply with the requirements of the applicable regulations of the SEBI Listing Regulations. However, the Company has initiated steps to comply with the pending requirements. Such omission has not been prejudicial to the interest of the investors. The Company has taken steps to ensure that such omissions do not occur in the future. ”

As regards to the Secretarial Auditor's observation in sub-clause VI of the Secretarial Auditor Report, the Directors have to state that:

“The Company has initiated discussions with the concerned rating agency for renewal of rating for the Debentures.”

INTERNAL AUDITORS

As per the provisions of the Companies Act, 2013, the Company appointed M/s. Niraj D. Adatia & Associates, Chartered Accountants (Firm Reg. No. 129486W) as an Internal Auditor of the Company for the financial year 2020-2021.

RISK MANAGEMENT SYSTEM:

The Board of Directors of the Company has devised strategies to frame, implement and monitor the risk management plan for the Company. The Board is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls.

PARTICULARS OF EMPLOYEES' REMUNERATION:

The disclosure required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure – 'D'** to this Report.

The statement containing names of top ten employees in terms of the remuneration drawn and the particulars of employees as required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report. However, having regard to the provisions to the first proviso of Section 136 (1) of the Companies Act, 2013, the Annual Report is being sent to all the members of the Company excluding this information. The aforesaid statement is available for inspection by the members through electronic mode 21 days before the AGM, during business hours on working days of the Company upto the date of the ensuing AGM. Any member, who is interested in obtaining a copy thereof, may write to the Company Secretary at the Registered Office of the Company. The said information is also available on the website of the Company. None of the employees listed in the aforesaid statement is a relative of any Director of the Company. None of the employees of the Company is covered under Rule 5 (3) (viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

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

The nature of operations of the Company does not require disclosure of particulars relating to conservation of energy and technology absorption, as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014.

During the year under review, the Company had 'Nil' foreign exchange earnings and had incurred an expenditure of ₹ 26.51 lakh in foreign exchange.

VIGIL MECHANISM:

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013, the Company has established vigil mechanism by adopting a Whistle Blower Policy for Stakeholders including Directors and employees of the Company to report their genuine concerns in the prescribed manner, to freely communicate their concerns / grievances about illegal or unethical practices in the Company, actual or suspected, fraud or violation of the Company's Codes or Policies. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguard against victimization of stakeholders who use such mechanism. During the year under review, no such incidence was reported and no person was denied access to the Chairman of the Audit Committee.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at work place.

An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

The Company has complied with the provisions relating to constitution of Internal Complaints Committee pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and disclosure under the said Act for the year ended March 31, 2020 is given in the table hereinbelow :

1.	number of complaints filed during the financial year 2019-2020	NIL
2.	number of complaints disposed of during the financial year 2019-2020	NIL
3.	number of complaints pending as on end of the financial year 2019-2020	NIL

AFFIRMATION REGARDING COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS:

The Board affirms compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) relating to the meetings of the Board and its Committees and General Meetings.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation and sincere thanks to all the stakeholders for their continued support. We look forward to your continued support and co-operation in the near future.

By Order of the Board

Date : September 26, 2020

Place : Mumbai

Rushank Shah

Director

DIN: 02960155

Anil Ahluwalia

Director

DIN: 00597508

ANNEXURE A

NOMINATION AND REMUNERATION POLICY**1. PREAMBLE**

- (i) Section 178 (2) and (3) of the Companies Act, 2013 (the Act) provides inter-alia that:

The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors, a policy relating to, the remuneration of the directors, key managerial personnel and other employees.'

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.'

- (ii) This Policy has been prepared and adopted in accordance with the applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Amendment) Act, 2017 along with circulars issued thereunder including any statutory modifications or re-enactment thereof for the time being in force.

2. GUIDING PRINCIPLES

The objectives of this policy are to ensure that:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

3. OBJECTIVES OF THIS POLICY

This policy aims to formulate certain criteria for the following matters with regard to its directors, Key managerial personnel and senior management.

- (a) Selection, appointment and removal
- (b) Recommendation of remuneration
- (c) Evaluation of performance
- (d) Board diversity

4. DEFINITIONS

- (i) 'Board' means the Board of Directors of the Company;
- (ii) 'Company' Means" Twenty Five South Realty Limited
- (iii) 'Directors' shall mean the Board of Directors of the Company
- (iv) 'Independent Director' means a director referred to in section 149(6) of the Companies Act,2013;
- (v) 'Key Managerial Personnel' means
 - Chief Executive Officer or the Managing Director or the manager
 - Company Secretary
 - Whole Time Director
 - Chief Financial Officer
 - Such other officer as may be prescribed
- (vi) "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in. accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 (1) of SEBI Listing Regulations.
- (vii) 'Policy or This Policy' means the 'Nomination and Remuneration Policy'
- (viii) Senior Management shall mean officers/personnel of the Company who are are members of its core management team excluding the board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the Board).

Words and expressions used in this policy but not defined shall have the same meaning as given in the Companies Act, 2013 read with Rules made there under and SEBI Listing Regulations, as may be amended from time to time.

5. TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration Committee (N&RC) are as under:

- (i) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy recommend to the Board their appointment and removal.
- (ii) to carry out evaluation of every director's performance;
- (iii) to formulate the criteria for determining the qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the directors;
- (iv) to formulate the criteria for evaluation of Independent Directors and the Board;
- (v) to devise a policy on Board diversity;
- (vi) to recommend/review the remuneration of the Wholetime Director(s) and the Managing Director based on their performance and defined assessment criteria;

- (vii) to recommend to the Board all remuneration, in whatever form, payable to senior management
- (viii) to ensure that the level and composition of remuneration is reasonable and sufficient and the relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- (ix) to assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management.
- (x) to carry out any other functions as may be mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

6. MEMBERSHIP OF THE N&RC COMMITTEE:

- (i) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement,
- (ii) The quorum for the meeting of N&RC shall be as per the corresponding provisions of the Act.
- (iii) Membership of the Committee shall be disclosed in the Annual Report.
- (iv) Terms of the Committee shall continue unless terminated by the Board.

7. CHAIRMAN OF THE N&RC COMMITTEE:

- (i) The Chairman of the Committee shall be as per the provisions of Companies Act, 2013.
- (ii) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as a chairman.
- (iii) The Chairman of the Committee may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. FREQUENCY OF MEETINGS:

The N&RC shall meet at least once in a year.

9. N&RC COMMITTEE MEMBERS' INTEREST:

- (i) A member of the Committee is not entitled to be present when his or her own remuneration is being discussed at a meeting or when his or her performance is being evaluated.
- (ii) The Committee may invite such executives of the Company, as it considers appropriate to be present at the meetings of the Committee.

10. VOTING AT N&RC MEETINGS

- (i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee; and
- (ii) In the case of equality of votes, the Chairman of the meeting shall have a casting vote.

11. APPOINTMENT AND REMOVAL OF EXECUTIVE AND NON-EXECUTIVE INDEPENDENT DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL:

Criteria for appointment of Directors, KMP and Senior Management.

- i. The Committee shall identify and formulate criteria for determining qualifications, positive attributes and independence of a Director, KMP and Senior Management;
- ii. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment as per the Company's Policy;
- iii. A person should possess adequate qualification, expertise and experience for the position he/she is being considered for appointment based on the Company's strategy and needs,
- iv. The Committee shall have the discretion to decide whether qualification, expertise and experience possessed by a person is/are sufficient / satisfactory for the concerned position;
- v. The person to be appointed as Director, KMP or the senior management, should possess impeccable reputation for integrity, efficiency, expertise, insights and accomplishments in sectors or areas relevant to the Company's business;
- vi. The Committee while considering a person for appointment as Director shall verify that the person being appointed as a Director is not debarred from holding the office of director pursuant to any SEBI order.
- vii. The Committee shall consider the potential candidates on merit alone and the identified candidates shall be recommended to the Board for final selection and appointment;
- viii. The Committee shall ensure that the number of companies in which each director is a director is well below the limit specified under the Act and the SEBI Listing Regulations;
- ix. Presently, from April 1, 2019, a person shall not be a director in more than eight listed entities and not more than seven listed entities with effect from April 1, 2020;
- x. The Company shall not appoint or continue the employment of any person as Managing Director/ Wholtime Director who has attained the maximum age prescribed under the Act and shall take necessary approvals from the shareholders in this regard in case of directors above the maximum age criteria.
- xi. The terms of appointment and subsequent retirement of KMPs and Senior Management shall be as per the provisions of the Act, SEBI Listing Regulations, other rules or regulations including any amendments made from time to time and prevailing policy of the Company; and
- xii. The Committee shall review the performance of the Board, KMP and Senior Management from time to time and establish succession plans in order to ensure uninterrupted functioning of the Board.

Tenure of Office**Executive Directors**

The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding 5(five) years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

Independent Director

- (i) An independent director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
 - (ii) An independent director shall not be liable to retire by rotation.
 - (iii) No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for re-appointment after the expiry of three years of ceasing to be an independent director;
 - (iv) At the time of appointment of Independent director, the Committee shall ensure that the no. of Boards on which such independent director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent director in case such person is serving as a Whole Time Director of the Company.
 - (v) Any person being appointed as an Independent Director shall not have any material pecuniary relationship with the Company, its holding, subsidiary or associate companies or the Company's Promoters or directors, except receiving remuneration as a director or having transaction not exceeding 10% of his total income or such amount as may be prescribed, during the current financial year or two immediately preceding financial years and also satisfies other criteria for determining independence as specified under the Act, SEBI Listing Regulations as may be amended from time to time.
- **Evaluation:**
 - (i) The performance evaluation of the Board, its Committees and Directors shall be carried out as per the provisions of the act;
 - (ii) Each Director shall be provided with a questionnaire to be filled up, providing feedback on the overall functioning of the Board and its Committees;
 - (iii) The questionnaire shall cover various parameters such as composition, execution of specific duties, participation in meetings, etc.;
 - (iv) The Committee shall monitor and review Board evaluation framework, conduct an assessment of the performance of the Board, each Board Committee, the Independent Directors and the Chairperson of the Board against criteria determined and approved by the Committee;

- (v) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, (excluding the Director being evaluated), which shall include the performance of the directors and fulfillment of 'the independence criteria as specified in the Act;
- (vi) The Independent Directors shall meet at least once a year to review the performance of the Non-Independent Directors, the Chairperson of the Company taking into account the view of the Executive and the Non-Executive Directors and to assess the quality, quantity and timeliness of the flow of information between the Company management and the Board; and
- (vii) The criteria for performance evaluation are given in Annexure I. However, these criteria are only suggestive and the Board /Directors may consider such other criteria as it/they may deem necessary for effective evaluation of performance.

- **Removal:**

Due to any reason for any disqualification mentioned in the Companies Act, 2013, the Rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend to the Board with reasons recorded in writing, the removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, Rules and Regulations and the Policy of the Company.

- **Retirement**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP and the Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY RELATING TO THE REMUNERATION OF EXECUTIVE AND NON-EXECUTIVE INDEPENDENT DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL:

Remuneration Policy for Non-Executive/Independent Director:

- (i) The remuneration and commission to be paid to the Non-Executive / Independent Directors shall be in accordance with the statutory provisions of the Act and the Rules made thereunder for the time being in force;
- (ii) The Non-Executive/Independent Directors shall be paid remuneration by way of fees for attending the meeting of the Board/Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board/Committee or such amount as may be prescribed by the Central Government from time to time;
- (iii) The commission may be paid within the monetary limits approved by the shareholders, subject to the limits not exceeding 1% of the net profit of the Company computed as per the applicable provisions of the Act; and
- (iv) An Independent Director shall not be entitled to any stock option of the Company.

The overall managerial remuneration shall not exceed 11% (eleven) percent of the net profit of the Company computed in the manner laid down in Section 198 of the Act.

Remuneration Policy for KMP, Senior Management Personnel and Other Employees:

- (i) This Policy aims at attracting, retaining and motivating high calibre talent and ensures equity, fairness and consistency in rewarding the employees;
- (ii) The performance of the individual as well as that of the Company forms the basis of this Policy;
- (iii) The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR Policies and/or as may be approved by the Committee;
- (iv) The salary structure of the employees including KMP and Senior Management comprises of basic salary, perquisites, allowances and performance incentive. The salary involves a balance between fixed and variable pay which reflects the performance objective of the individual as against the earmarked Key Performance Indicator and the strategic objective and the performance of the Company;
- (v) The components of total remuneration vary for different grades of employees and are based on the qualifications and experience of the employee, responsibilities handled and the individual performance; and
- (vi) In case any of the relevant Statute/Rules/Regulations require that the remuneration of KMPs, Senior Management of other employees of the Company is to be specifically approved by the Committee and/or the Board of Directors, then such approval(s) shall accordingly be obtained.

SECRETARY OF THE COMMITTEE:

The Company Secretary shall act as Secretary to the Committee.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company shall familiarize the Independent Directors with the Company, its business model, their roles, rights, duties and responsibilities in the Company, the nature of the industry in which the Company operates, through various programmes.

The details of such programmes shall be disclosed on the Company's website.

IMPLEMENTATION OF THE POLICY:

The N&RC Committee may issue guidelines, procedures, formats, reporting mechanism and manuals as supplement(s) to this Policy and for better implementation thereof.

DELEGATION OF AUTHORITY:

Deviations from elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company shall be made if there is specific reason to do so in an individual case.

EXTERNAL ASSISTANCE:

The Committee, may in its sole discretion, seek the advice of external experts/consultants at the Company's expense for enabling it to discharge its duties and responsibilities.

DISCLOSURE OF THE POLICY:

This Policy and the evaluation criteria shall be uploaded on the Company's website and be also disclosed in the Annual Report as part of the Board's Report therein.

AMENDMENTS TO THE POLICY:

This Policy is based on the requirements of the Companies Act, 2013 read with the Rules made thereunder and In case of any amendment(s), clarification(s), circular(s), etc., issued by the relevant authorities, not being consistent with the provisions of this Policy, then such amendment(s), clarification(s), circular(s), etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date stated under such amendment(s), The provisions in this Policy would then be modified in due course to make it/them consistent with law.

[The above Policy has been reviewed and modified by the Board of Directors at its meeting held on December 14, 2019.]

ANNEXURE I

PERFORMANCE EVALUATION CRITERIA

1. Section 178 (2) of the Act stipulates that the Nomination and Remuneration Committee of Directors shall carry out evaluation of every Director's performance.
2. Section 134 (3) (p) of the Act provides that there shall be attached to the Board's Report, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
3. The assessment criteria for determining the effectiveness of Board / Director's performance is given below. However, these criteria are only suggestive / illustrative and the Board/ Directors may consider such other criteria as they may deem necessary for effective evaluation of performance.

BOARD OF DIRECTORS

1. Leadership.
2. Stewardship.
3. Contribution to achievement of corporate objectives.
4. Contribution to robust and effective risk management.
5. Communication of expectations and concerns clearly.
6. Assuring appropriate Board size, composition, independence, structure.
7. Timely resolution of issues at meetings.
8. Identify, monitor and mitigate significant corporate risks.
9. Effective meetings.
10. Company's approach to Corporate Governance.
11. Clearly defining roles and monitoring activities of Committees.
12. Review of Company's ethical conduct.
13. Assess policies, structures and procedures.
14. Communication of the Board with the management team, key managerial personnel and other employees.
15. Regular monitoring of corporate results against projections.
16. Accountability.
17. Review and approval of strategic operational plans, objectives and budgets.
18. Board's relationships inside and outside the boardroom.
19. Board's handling of crisis or problems.
20. Adequacy and quality of feedback to the management on its requirements.

ANNEXURE B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U51100MH1996PLC100876
2.	Registration Date	July 10, 1996
3.	Name of the Company	Twenty Five South Realty Limited
4.	Category/Sub-category of the Company	Company Having Share Capital
5.	Address of the Registered office & contact details	Hindoostan Mills Compound, Kashinath Dhuri Marg, Patilwadi, Off Veer Savarkar Road, Prabhadevi, Mumbai - 400025. Tel: 022 24221227
6.	Whether listed company	Yes – Debt Market Segment
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083. Tel: 022 - 49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Real Estate Construction and Development of Residential and Commercial Premises	4100	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Hubtown Limited Plaza Panchsheel, “A” Wing, 5th Floor, Hughes Road, Behind Dharam Palace, Grant Road (West), Mumbai - 400007	L45200MH- 1989PLC050688	Joint Venture	47.49%	2(87)(I)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders			No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year		
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares			
A.	Promoters												
	(1)	Indian											
		(a)	Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00	
		(b)	Central Govt	0	0	0	0.00	0	0	0	0.00	0.00	
		(c)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00	
		(d)	Bodies Corporate	22859	0	22859	47.49	22859	0	22859	47.49	0.00	
		(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00	
		(f)	Any other	0	0	0	0.00	0	0	0	0.00	0.00	
		Total shareholding of Promoter (A)(1)		22859	0	22859	47.49	22859	0	22859	47.49	0.00	
	(2)	Foreign											
		(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
		(b)	Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
		(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
		(d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00	
		(e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00	
		Sub-total (A) (2)		0	0	0	0.00	0	0	0	0.00	0.00	
		Total shareholding of Promoter (A) = (A)(1)+(A)(2)		22859	0	22859	47.49	22859	0	22859	47.49	0.00	
B.	Public Share holding												
	1.	Institutions											
		(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00	
		(b)	Banks / FI	0	4	4	0.008	0	4	4	0.008	0.00	
		(c)	Central Govt	0	0	0	0.00	0	0	0	0.00	0.00	
		(d)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00	
		(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
		(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00	
		(g)	FIIs	0	0	0	0.00	0	0	0	0.00	0.00	
		(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
		(i)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00	
		Sub-total (B)(1):-		0	4	4	0.008	0	4	4	0.008	0.00	
	2.	Non-Institutions											
		(a)	Bodies Corporate										
			(i)	Indian	2704	28	2732	5.67	2704	29	2733	5.67	0.00
			(ii)	Overseas	4001	18019	22020	45.75	22020	0	22020	45.75	0.00
		(b)	Individuals:										
			(i)	Individual shareholders holding nominal share capital upto ₹. 1 lakh	151	365	516	1.07	265	250	515	1.07	0.00
			(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
		(c)	Others (specify)										
			(i)	Trusts	00	0	0.00	0	0	0	0.00	0.00	
			(ii)	Non-Resident Indians	0	4	4	0.008	0	4	4	0.008	0.00
			(iii)	Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
			(iv)	Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
		Sub-total (B)(2)			6856	18416	25272	52.50	24989	287	25276	52.50	0.00
		Total Public Shareholding (B)=(B)(1)+(B)(2)			6856	18420	25276	52.51	24989	287	25276	52.51	0.00
C.	Shares held by Custodian for GDRs & ADRs			0	0	0	0.00	0	0	0	0.00	0.00	
Grand Total (A+B+C)				29715	18420	48135	100	47848	287	48135	100	0.00	

ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2019]			Shareholding at the end of the year [As on 31-March-2020]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Hubtown Limited	22859	47.49	14737	22859	47.49	14737	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the shareholding during the year under review

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Hubtown Limited				
1	At the beginning of the year (April 01, 2019)	22859	47.49	22859	47.49
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	22859	47.49

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DISTINCTIVE REALTY PRIVATE LIMITED				
	At the beginning of the year (April 01, 2019)	2704	5.62	2704	5.62
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	2704	5.62
2	KIMWIL INVESTMENT HOLDINGS LIMITED				
	At the beginning of the year (April 01, 2019)	22020	45.75	22020	45.75
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	22020	45.75

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	HEMANTI PAREKH				
	At the beginning of the year (April 01, 2019)	139	0.29	139	0.29
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	139	0.29
4	HARESH T. KESWANI				
	At the beginning of the year (April 01, 2019)	68	0.14	68	0.14
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	68	0.14
5	MEENA JANAK				
	At the beginning of the year (April 01, 2019)	28	0.04	28	0.04
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	28	0.04
6	RICKY ISHWARDAS KIRPALANI				
	At the beginning of the year (April 01, 2019)	20	0.04	20	0.04
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	20	0.04
7	HARIBEN MOTILAL KNAJI				
	At the beginning of the year (April 01, 2019)	11	0.02	11	0.02
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	11	0.02
8	MEHTA DEEPIKA ASHWIN				
	At the beginning of the year (April 01, 2019)	09	0.02	09	0.02
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	09	0.02
9	PRAKASH KESHAVJI SHROFF				
	At the beginning of the year (April 01, 2019)	09	0.02	09	0.02
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	09	0.02
10	JITENDRA PARSHOTTAM SOMAIYA				
	At the beginning of the year (April 01, 2019)	08	0.016	08	0.016
	Purchase/Sale of shares	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	08	0.016

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1)	Mr. Sunil Shah (Independent from January 07,2020)				
	At the beginning of the year (April 01, 2019)	—	—	—	—
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	—	—
2)	Mr. Rushank Shah (Director)				
	At the beginning of the year (April 01, 2019)	—	—	—	—
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	—	—
3)	Mrs. Pusphaben Shah (Independent Director upto December 30, 2019)				
	At the beginning of the year (April 01, 2019)	—	—	—	—
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	—	—
4)	Mr. Bhavik Shah (Independent Director upto December 31, 2019))				
	At the beginning of the year (April 01, 2019)	—	—	—	—
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	—	—
5)	Mr. Dattatraya V. Prabhu				
	At the beginning of the year (April 01, 2019)	—	—	—	—
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2020)	—	—	—	—

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,65,20,70,192	51,66,79,678	—	9,16,87,49,870
ii) Interest due but not paid				
iii) Interest accrued but not due	60,16,56,999	68,12,46,164	—	1,28,29,03,163
Total (i+ii+iii)	9,25,37,27,191	1,19,79,25,842	—	10,45,16,53,033
Change in Indebtedness during the financial year				
* Addition				
i) Principal Amount	1,26,71,74,431	23,30,96,575	—	1,50,02,71,006
ii) Interest due but not paid	10,26,49,503			10,26,49,503
iii) Interest accrued but not due	20,09,70,016	16,04,83,909	—	36,14,53,925
* Reduction				
i) Principal Amount		9,20,00,000	—	9,20,00,000
Net Change	1,57,07,93,950	30,15,80,484	—	1,87,23,74,434
Indebtedness at the end of the financial year				
i) Principal Amount	9,91,92,44,623	65,77,76,253	—	10,57,70,20,876
ii) Interest due but not paid	10,26,49,503			10,26,49,503
iii) Interest accrued but not due	80,26,27,015	84,17,30,073	—	1,64,43,57,088
Total (i+ii+iii)	10,82,45,21,141	1,49,95,06,326	—	12,32,40,27,467

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in Lacs)

SN.		Name of MD/ WTD/ MANAGER	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—
2	Stock Option	—	—
3	Sweat Equity	—	—
4	Commission	—	—
	— as % of profit	—	—
	— others, specify...	—	—
5	Others, please specify	—	—
	Total (A)	—	—
	Ceiling as per the Act	—	—

B. Remuneration to other directors:

(₹ in Lacs)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Sunil Shah (from January 07, 2020)	Mr. Rushank Shah	Mrs. Pushpaben Shah (Upto Decemeber 30, 2019)	Mr. Bhavik Shah (Upto Decemeber 31, 2019)	Mr. Dattatraya V. Prabhu	
1	Independent Directors						
	Fee for attending Board/ Committee meetings	—	—	—	—	—	—
	Commission	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—
	Total (1)	—	—	—	—	—	—
2	Other Non-Executive Directors						
	Fee for attending Board/ Committee meetings	—	—	—	—	—	—
	Commission	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—
	Total (2)	—	—	—	—	—	—
	Total (B)=(1+2)	—	—	—	—	—	—
	Total Managerial Remuneration	—	—	—	—	—	—
	Overall Ceiling as per the Act	-					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Name of the KMP		Ms. Priyanka Choubey (From February 29, 2020)	—	—
1	Gross salary	-	38,725	—	—
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	—	—	—	—
	— as % of profit	—	—	—	—
	Others, specify...	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—	38,725	—	—

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ in lacs)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made if any (give Details,)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

ANNEXURE C

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
The Members,
TWENTY FIVE SOUTH REALTY LIMITED
Hindoostan Mills Compound,
Kashinath Dhuri Marg, Patilwadi,
Off Veer Savarkar Road,
Prabhadevi Mumbai-400025

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TWENTY FIVE SOUTH REALTY LIMITED** (hereinafter called “**the Company**”) CIN: U51100MH1996PLC100876 and its Registered Office at Hindoostan Mills Compound, Kashinath Dhuri Marg, Patilwadi, Off Veer Savarkar Road, Prabhadevi Mumbai-400025. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the financial year ended on **31st March, 2020** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the audit period)

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (There were no events requiring compliance during the audit period)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (There were no events requiring compliance during the audit period)
 - d. The Securities and Exchange Board of India (Share Based Employees Benefit) Regulation, 2014; (There were no events requiring compliance during the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (There were no events requiring compliance during the audit period)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (There were no events requiring compliance during the audit period);
 - i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulation, 2013; (There were no events re-quiring compliance during the audit period)
 - j. The Securities and Exchange Board of India (Depository and Participants) Regulations 2018;
 - k. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015;
 - l. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993.
- vi. The management has identified and confirmed the following laws as specifically applicable to the Company:
- a. Food Safety and Standards Act, 2006
 - b. Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963
 - c. The Essential Commodities Act, 1955 read with Essential Commodities (Special Provisions) Act, 1981
 - d. Legal Metrology Act, 2009
 - e. Shops and Establishment Act, 1953 and the rules, notifications issued thereunder.
 - f. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
 - g. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder.
 - h. The Environment (Protection) Act, 1986

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of the Board of Directors (SS - 1) and General Meeting (SS - 2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review and subject to explanations submitted to us and representations made by the management, the Company with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

- I. The Company has not complied with Provisions of Section 178(2) w.r.t to Board Evaluation and Section 203 w.r.t appointment a Chief Financial Officer and Managing Director of the Company as per Companies Act, 2013. However Company Secretary was appointed on February 29, 2020;***
- II. There was delayed in filing few forms with Registrar of Companies;***
- III. The Company has not complied with Regulation 51 (2) w.r.t disclosure as specified in part B of Schedule III as per SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015;***
- IV. The Company has not complied Regulation 52 w.r.t filing of financial results with stock exchange within stipulated period and Regulation 52(5) w.r.t filing of Certificate from Debenture Trustee with the stock exchange as per SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015;***
- V. The Company has not complied with Regulation 52(8) w.r.t publishing of financial results and statement as per SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015;***
- VI. The Company has not complied Regulation 55 w.r.t review of Credit Ratings atleast once in a year;***
- VII. The Company has not complied with Regulation 56 and Regulation 58(1)(d) pertaining to submission of documents and intimations to Debenture Trustee and Debenture Holder as per SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015;***

I further report that

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

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

- ◆ As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including actions for corrective measures, wherever found necessary.

I further report that during the audit period the Company has not transacted any activities having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Mitesh J. Shah & Associates
Company Secretaries

Mitesh Shah
Proprietor

FCS No.: 10070

C. P. No.: 12891

Date: September 26, 2020

Place: Mumbai

UDIN:F010070B000797692

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To
Members,
TWENTY FIVE SOUTH REALTY LIMITED
Hindoostan Mills Compound,
Kashinath Dhuri Marg, Patilwadi,
Off Veer Savarkar Road,
Prabhadevi Mumbai-400025

My report of even dated is to be read along with this letter:

Management's Responsibility Statement

- i. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

Auditor's Responsibility Statement

- ii. I have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I follow provide a responsible basis for my opinion.
- iii. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- iv. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

- v. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
- vi. In view of ongoing lockdown due to COVID-19 pandemic, we were unable to physically verify certain data, documents and records of the Company. However, we have used appropriate information technology tools and methods to access the relevant data, documents and records of the Company to complete our audit.
- vii. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mitesh J. Shah & Associates**
Company Secretaries

Mitesh Shah
Proprietor

FCS No.: 10070
C. P. No.: 12891

Date: September 26, 2020
Place: Mumbai

ANNEXURE –D’

DISCLOSURE IN DIRECTORS’ REPORT PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirement	Disclosure	
		Name of the Director	Ratio
1.	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2020.	None	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2019-2020.	None	
3.	Percentage increase in the median remuneration of employees in the Financial Year 2019-2020.	None	
4.	The number of permanent employees on the rolls of the Company.	26	
5.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.	No increase in salaries of employees.	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms that the remuneration is as per the remuneration policy of the Company.	

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TWENTY FIVE SOUTH REALTY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **TWENTY FIVE SOUTH REALTY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw Attention to Note 35 of the financial statements, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Company's operation and management's evaluation of its impact on the accompanying Statement as at 31st March, 2020, the impact of which is significantly dependent on future developments.

Our opinion is not qualified in respect of the above matter.

Key Audit Matters

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
 - 2. The Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses; and
 - 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR FOR M. H. DALAL & ASSOCIATES

Firm Registration No.: 112449W

Chartered Accountants

DEVANG DALAL

Partner

Membership No.: 109049

UDIN: 20109049AAAAQF1619

Place : Mumbai

Date : 26th September, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the Management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification;
- (c) The Company does not own any immovable property therefore provision of clause 3(i)(c) of the said order are not applicable;
- (ii) The physical verification of inventory has been conducted at the reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts;
- (iii) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to companies; firms or other parties covered under section 189 of the Companies Act, 2013 ('the Act'). Therefore, provision of clause 3(iii), 3(iii)(a), 3(iii)(b), 3(iii)(c) of the said order are not applicable to the company;
- (iv) The Company has not granted any loans or made any investments, or provided any guarantees or any security to the parties covered under section 185 and 186. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the Company;
- (v) The Company has not accepted any deposits from the public during the year, Therefore the provisions of clause 3 (v) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company;
- (vi) In our opinion, and according to the information and explanation given to us, the company has not crossed the threshold limit as prescribed by the Central Government under sub-section (1) of section 148 of the Act for maintenance of cost records and hence the provision for maintenance of records are not applicable to the Company;
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues, including tax deducted at source, duty of customs, goods and service Tax (GST), cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Custom Duty, Sales tax including value added tax.
- (viii) On the basis of records examined by us and the information and explanations given to us, the Company has not defaulted in payment of dues to any financial institutions, bank and debenture holders. Further attention is invited to footnote (a) to note 15

- (ix) In our opinion, and according to the information and explanations given to us, the term loans raised during the year has partly been used for repayment of existing loan and applied for the purposes for which they were obtained.
- (x) Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year;
- (xi) The company has not paid or provided managerial remuneration during the year and hence, the provisions of section 197 read with Schedule V to the Act are not applicable. Accordingly, the provision of Clause 3(xi) of the Order are not applicable to the Company;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company;
- (xiii) The Company has entered into transactions with related parties are in compliance with the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of clause 3(xiv) of the Order are not applicable to the Company;
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company; and
- (xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company;

FOR FOR M. H. DALAL & ASSOCIATES

Firm Registration No.: 112449W

Chartered Accountants

DEVANG DALAL

Partner

Membership No.: 109049

UDIN: 20109049AAAAQF1619

Place : Mumbai

Date : 26th September, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting 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 **TWENTY FIVE SOUTH REALTY LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR FOR M. H. DALAL & ASSOCIATES

Firm Registration No.: 112449W

Chartered Accountants

DEVANG DALAL

Partner

Membership No.: 109049

UDIN: 20109049AAAAQF1619

Place : Mumbai

Date : 26th September, 2020

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL RESULTS OF THE COMPANY PURSUANT TO THE REGULATION 52 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Board of Directors

TWENTY FIVE SOUTH REALTY LIMITED

1. We have audited the financial results of **TWENTY FIVE SOUTH REALTY LIMITED** ('the Company') for the year ended 31st March, 2020 being submitted by the Company pursuant to the requirement of Regulations 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Attention is drawn to the Note 2 of the financial results regarding the figures for the six month ended 31st March, 2020 as reported in these financial results which are the balancing figures between audited financials results figures in respect of the full financial year and the published financial results year to date figures up to the end of the first six months of the financial year. Also, the figures up to the end of the first six months had only been reviewed and were not subjected to audit. These financial results are based on the financial statements for the year ended 31st March, 2020 prepared in accordance with the recognition and measurement principles laid down in IND AS 34, Interim Financial Reporting, specified under section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30th November, 2015 and CIR/CFD/FAC/62/2016 dated 5th July, 2016 which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financials results based on our audit of the financial statements for the year ended 31st March, 2020 and our review of financial results for the six months period ended 30th September, 2019.

2. Basis of Opinion

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the financial results:
- i) are presented in accordance with the requirements of regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30th November, 2015 and CIR/CFD/FAC/62/2016 dated 5th July, 2016 in this regard; and
 - ii) Give a true and fair view of the company's net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India, including IND AS specified under section 133 of the Act for the year ended 31st March, 2020.

4. We draw attention to:

- i.) Note 4 of notes of financial results for the period ended 31st March, 2020 with regards, the Company has not reviewed its Credit Rating during the year, as per Regulation 55 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- ii.) Note 5 to accompanying Statement, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Company's operation and management's evaluation of its impact on the accompanying Statement as at 31st March, 2020, the impact of which is significantly dependent on future developments.

Our opinion is not modified in respect of the above matters.

FOR FOR M. H. DALAL & ASSOCIATES

Firm Registration No.: 112449W

Chartered Accountants

DEVANG DALAL

Partner

Membership No.: 109049

UDIN: 20109049AAAAQF1619

Place : Mumbai

Date : 26th September, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
I ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	56,616,471	74,834,531
(b) Capital work-in-progress	3	2,809,455	12,898,809
(c) Financial assets			
(i) Other financial assets	4	5,039,500	5,039,500
(d) Current tax assets (Net)	5	44,502,036	31,946,241
(e) Deferred tax assets (Net)	6	87,886,873	92,805,683
Total Non-Current Assets		196,854,335	217,524,764
2. Current Assets			
(a) Inventories	8	20,273,318,007	16,467,646,295
(b) Financial assets			
(i) Cash and cash equivalents	9	88,632,603	64,749,538
(ii) Bank balances other than (i) above	10	1,626,087	1,524,157
(iii) Other financial assets	4	64,385,090	83,312,629
(c) Other current assets	7	124,234,427	229,256,651
Total Current Assets		20,552,196,214	16,846,489,270
TOTAL ASSETS		20,749,050,549	17,064,014,034
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	11	481,350	481,350
(b) Other equity	12	1,562,531,709	1,651,067,353
Total Equity		1,563,013,059	1,651,548,703
2. Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	7,919,244,623	8,614,570,192
(ii) Other Financial Liabilities	15	23,031,216	17,956,067
(b) Provisions	16	2,394,082	1,283,063
Total Non-Current Liabilities		7,944,669,921	8,633,809,322
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	657,776,253	554,179,678
(ii) Trade payables	14	1,439,195,638	1,442,741,568
(iii) Other financial liabilities	15	4,965,104,025	2,193,130,566
(b) Other current liabilities	17	4,178,899,066	2,588,310,888
(c) Provisions	16	392,587	293,309
Total Current Liabilities		11,241,367,569	6,778,656,009
Total Liabilities		19,186,037,490	15,412,465,331
TOTAL EQUITY AND LIABILITIES		20,749,050,549	17,064,014,034

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR M. H. DALAL & ASSOCIATES

Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL

PARTNER
Membership No. 109049

Mumbai
Date: 26th September, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

RUSHANK SHAH
DIRECTOR
DIN 02960155

ANIL AHLUWALIA
DIRECTOR
DIN 00597508

PRIYANKA CHOUBEY
COMPANY SECRETARY

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

NARENDRA REDKAR
CHIEF EXECUTIVE OFFICER

Mumbai
Date: 26th September, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	Year ended 31st March, 2020 ₹	Year ended 31st March, 2019 ₹
I Income			
Revenue from Operations	18	61,434,398	142,324,950
Other Income	19	2,719,775	1,037,734
Total Income		64,154,173	143,362,684
II Expenses			
Costs Of Construction / Development	20	1,225,195,074	2,271,153,978
Purchases of Stock-in-Trade		88,819,903	168,915,175
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	21	(3,839,900,371)	(4,883,548,441)
Employee Benefits Expense	22	37,990,644	33,811,440
Finance Costs	23	2,467,764,849	2,440,854,264
Depreciation and Amortisation Expenses	24	39,635,419	33,508,250
Other Expenses	25	128,232,735	166,608,933
Total Expenses		147,738,253	231,303,599
III Profit / (Loss) before Tax		(83,584,080)	(87,940,915)
IV Tax Expense			
(1) Current Tax		—	—
(2) Deferred tax (charge) / credit		(4,918,810)	29,928,345
		(4,918,810)	29,928,345
V Profit / (Loss) for the Year		(88,502,890)	(58,012,570)
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit plans		(32,754)	244,500
VII Total comprehensive income/(loss) for the year		(88,535,644)	(57,768,070)
VIII Earning per equity share of nominal value of ₹ 10/- each			
Basic and Diluted	26	(1,839)	(1,205)

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR M. H. DALAL & ASSOCIATES

Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL

PARTNER
Membership No. 109049

Mumbai
Date: 26th September, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

RUSHANK SHAH
DIRECTOR
DIN 02960155

ANIL AHLUWALIA
DIRECTOR
DIN 00597508

PRIYANKA CHOUBEY
COMPANY SECRETARY

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

NARENDRA REDKAR
CHIEF EXECUTIVE OFFICER

Mumbai
Date: 26th September, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	31st March, 2020 (₹)	31st March, 2019 (₹)
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation as per Statement of Profit and Loss	(83,584,080)	(87,940,915)
Add / (Less) :		
Finance costs	2,467,764,849	2,440,854,264
Depreciation and amortisation	39,635,419	33,508,250
Interest income	(1,494,976)	(1,037,734)
Remeasurement of the net defined benefit liability / asset	(32,754)	244,500
Loss on foreign currency fluctuation (Net)	304,495	370,931
Excess provision written back	(12,800)	(1,483,421)
Sundry Credit balance appropriated	(294,623)	—
	2,505,869,610	2,472,456,790
Operating profit before working capital changes	2,422,285,530	2,384,515,875
Add / (Less) :		
(Increase) in inventories	(3,805,671,712)	(4,916,926,838)
(Increase) / Decrease in Other Current & Non current Asset	(101,930)	(89,816)
(Increase) / Decrease in Loans and advances	124,244,388	(54,793,459)
Increase / (Decrease) in trade and other payables	1,545,279,827	2,553,948,351
Direct taxes paid	(12,555,795)	(10,702,700)
	(2,148,805,222)	(2,428,564,462)
Net cash flow from operating activities	273,480,308	(44,048,587)
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Interest income received	1,200,351	762,482
Purchase of fixed assets	(11,328,006)	(6,390,798)
Net cash flow from investing activities	(10,127,655)	(5,628,316)
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Proceeds from Long Term Borrowing	1,304,674,431	1,765,014,608
Proceeds from Short Term Borrowing	103,596,575	115,969,703
Finance costs paid	(1,647,740,594)	(1,932,792,532)
Net cash flow from financing activities	(239,469,588)	(51,808,221)
Net increase in cash and cash equivalents (I + II + III)	23,883,065	(101,485,124)
Add: Balance at the beginning of the year	64,749,538	166,234,662
Cash and cash equivalents at the end of the year	88,632,603	64,749,538
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	37,524	105,261
Balances with banks		
— in Current accounts	78,640,773	54,689,971
— in Deposits with maturity of less than three months	9,954,306	9,954,306
	88,632,603	64,749,538

The accompanying notes are an integral part of the financial statements

Note: The Cash Flow Statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS- 7) statement of cash flows.

As per our report of even date

FOR M. H. DALAL & ASSOCIATES

Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL

PARTNER
Membership No. 109049

Mumbai
Date: 26th September, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

RUSHANK SHAH
DIRECTOR
DIN 02960155

ANIL AHLUWALIA
DIRECTOR
DIN 00597508

PRIYANKA CHOUBEY
COMPANY SECRETARY

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

NARENDRA REDKAR
CHIEF EXECUTIVE OFFICER

Mumbai
Date: 26th September, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

	Notes	Amount ₹
A. EQUITY SHARE CAPITAL		
As at 01st April, 2018	11	481,350
Changes in equity share capital		—
As at 31st March, 2019		481,350
Changes in equity share capital		—
As at 31st March, 2020		481,350

B. OTHER EQUITY (Refer Note 12)

	Reserves and Surplus (Amount ₹)				Total ₹
	Securities Premium reserve	Debenture Redemption Reserve	General reserve	Retained Earnings	
Balance at 1st April, 2018	1,866,259,694	—	—	(157,424,271)	1,708,835,423
Profit / (Loss) for the year	—	—	—	(58,012,570)	(58,012,570)
Remeasurement of net defined benefit recognised in other comprehensive income	—	—	—	244,500	244,500
Balance at 31st March, 2019	1,866,259,694	—	—	(215,192,341)	1,651,067,353
Balance at 1st April, 2019	1,866,259,694	—	—	(215,192,341)	1,651,067,353
Profit / (Loss) for the year	—	—	—	(88,502,890)	(88,502,890)
Remeasurement of net defined benefit recognised in other comprehensive income	—	—	—	(32,754)	(32,754)
Balance at 31st March, 2020	1,866,259,694	—	—	(303,727,984)	1,562,531,710

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR M. H. DALAL & ASSOCIATES
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL
PARTNER
Membership No. 109049

Mumbai
Date: 26th September, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS

RUSHANK SHAH
DIRECTOR
DIN 02960155

ANIL AHLUWALIA
DIRECTOR
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COMPANY SECRETARY

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

NARENDRA REDKAR
CHIEF EXECUTIVE OFFICER

Mumbai
Date: 26th September, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Overview

Twenty Five South Realty Limited is a listed public limited company domiciled in India, incorporated under the provision of the Companies Act, 1956 read with the general circular 15 / 2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The Company is engaged in real estate business of construction and development of residential and commercial premises.

1.2 The financial statements are approved for issue by the Company's Board of Directors on 26th September, 2020.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale — measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans — plan assets measured at fair value;

(iii) Current and non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, if any) within the credit period normally applicable to the respective project.

II SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

Classification of property

The Company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the Company develops and intends to sell before or on completion of construction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) *Employee Benefit Plans*

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

ii) *Estimation of net realisable value for inventory*

Inventory are stated at the lower of cost and net realisable value (NRV).

NRV for completed property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory under construction / incomplete projects is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Advance given to land owners, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iii) Income tax Provisions are based on Company's judgement of Allowances/Disallowance considering computation of Income.

III REVENUE RECOGNITION

Revenue is recognised upon transfer of control of promised goods or services to customers of an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

A. Revenue from sale of properties/development rights

- i. Revenue from the sale of properties / flats/ commercial premises / units in a project are recognised when the Company satisfies performance obligations at a point in time i.e when control is transferred to the customer which is usually on giving soft possession for fitouts or actual possession to the customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- ii. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, rebates, price concessions, returns and financing component if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Where the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately in the Statement of Profit and Loss Account.
- iii. Amount received as Advance from customers on Invoicing / raising demand letters are classified as Contract Liabilities. The Company's right to consideration in exchange for goods or services that the Company has transferred to the customer are classified as receivables.

The Company has adopted Ind AS 115 'Revenue from contracts with customers', with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue" and Guidance Note on "Accounting for Real Estate transactions" for entities to whom Ind AS is applicable.

B. Revenue from Trading Materials:

Revenue from sale of trading material is recognised when control of promised goods are transferred to the customer.

C. Revenue from project management services:

Revenue from 'project management services' is recognized only on satisfaction of performance obligation of promised services based on the agreements between the Company and the customer to whom such services are rendered.

IV PROPERTY PLANT AND EQUIPMENT AND DEPRECIATION / AMORTISATION

- A. On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its Property, Plant and Equipment and Investment property and use that carrying value as the deemed cost on the date of transition i.e. 1st April, 2015.
- B. Tangible fixed assets are stated at cost of acquisition or construction including attributable interest and finance cost, if any till the date of acquisition/installation of the assets, less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- C. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.
- D. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Plant and Machinery (Mivan System)	3
Computer	3
Office Equipments	5
Furniture and Fixture	10
Project office*	3.5

* Expenses related to project office specifically relating to the project has amortised over the project completion period which is estimated to be 3.5 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

V 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. Investments and Financial Assets

i. Initial recognition

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. Subsequent measurement

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

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. De-recognition of Financial Assets:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

B. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii. Financial Liabilities

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2. Subsequent Measurement

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

— Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. 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. Amortisation is recognised as finance income in the Statement of Profit and Loss.

— Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. 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.

3. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

C. Offsetting 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.

VI DERECOGNITION OF FINANCIAL INSTRUMENTS

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VII IMPAIRMENT

a. Financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

b. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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. When 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss.

i. *Intangible assets and property, plant and equipment*

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. *Provisions*

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

VIII TAXATION

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

IX INVENTORIES

All inventories are stated at Cost or Net Realizable Value, whichever is lower.

- A. Stock of 'material at Site' includes cost of purchase, other costs incurred in bringing them to their respective present location and condition. Cost formula used is average cost.
- B. 'Incomplete Projects' include cost of incomplete properties for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate directly to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure for the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.
- C. Traded goods includes cost of purchases and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Inventory value includes costs incurred upto the completion of the project viz. cost of land / rights, value of floor space index (FSI), materials, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

X TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

XI TRADE RECEIVABLES

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

XII EMPLOYEE BENEFITS

a) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

The Company's gratuity benefit scheme is an unfunded plan. The Company's obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods, recognised as a liability at the present value of the defined benefit obligations at the Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government bonds as at the Balance Sheet date. Actuarial gains or losses on such valuation are recognised immediately in the Statement of Profit and Loss for the year.

c) Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term Benefits

Short-term employee benefits such as salaries, performance incentives, etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

XIII BORROWINGS AND BORROWING COSTS

Borrowings are initially recognised at net of transaction cost incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statetment of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in the Statement of Profit and Loss as finance cost.

Interests and other borrowing costs calculated as per effective interest rate attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are charged to the Statement of Profit and Loss Account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

XIV EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

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

XV CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

XVI CASH AND CASH EQUIVALENT

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 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.

XVII FOREIGN CURRENCY TRANSACTIONS

- A. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.
- B. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date, are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the Statement of Profit and Loss.
- C. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

XVIII SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Real Estate Development". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

XIX PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each Balance Sheet date. 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.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**NOTE 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS**

	in (₹)								
	Building	Mivan System (Recli formliner)	Mivan System	Computers and Laptops	Furniture and Fixtures	Office Equipment	Project office	Total	Capital work-in- progress
Cost or deemed cost									
Balance at 31st March, 2018	—	35,867,948	—	1,050,907	5,036,349	1,946,740	—	43,901,944	85,295,729
Additions	—	—	30,205,750	166,102	523,947	1,895,836	45,996,083	78,787,718	—
Disposals/Discardment	—	—	—	—	—	—	—	—	—
Transferred to addition	—	—	—	—	—	—	—	—	(72,396,920)
	—	35,867,948	30,205,750	1,217,009	5,560,296	3,842,576	45,996,083	122,689,662	12,898,809
Accumulated depreciation and impairment									
Balance at 31st March, 2018	—	11,700,501	—	597,932	1,277,326	771,122	—	14,346,881	—
Eliminated on disposal/discardment of assets	—	—	—	—	—	—	—	—	—
Depreciation expense	—	16,656,135	2,991,952	278,053	550,591	765,897	12,265,622	33,508,250	—
Balance at 31st March, 2019	—	28,356,636	2,991,952	875,985	1,827,917	1,537,019	12,265,622	47,855,131	—
Carrying amount as at 31st March, 2019	—	7,511,312	27,213,798	341,024	3,732,379	2,305,556	33,730,461	74,834,531	12,898,809
	Building	Mivan System (Recli formliner)	Mivan System	Computers and Laptops	Furniture and Fixtures	Office Equipment	Project office	Total	Capital work-in- progress
Cost or deemed cost									
Balance at 31st March, 2019	—	35,867,948	30,205,750	1,217,009	5,560,296	3,842,576	45,996,083	122,689,662	12,898,809
Additions	—	6,467,116	—	—	6,962,009	7,988,234	—	21,417,359	—
Adjustments	—	*3,278,269	*(3,278,269)	—	—	—	—	—	—
Disposals/Discardment	—	—	—	—	—	—	—	—	—
Transferred to addition	—	—	—	—	—	—	—	—	(10,089,354)
	—	45,613,333	26,927,481	1,217,009	12,522,305	11,830,810	45,996,083	144,107,021	2,809,455
Accumulated depreciation and impairment									
Balance at 31st March, 2019	—	28,356,636	2,991,952	875,985	1,827,917	1,537,019	12,265,622	47,855,131	—
Eliminated on disposal/discardment of assets	—	—	—	—	—	—	—	—	—
Adjustments	—	*(4,487,925)	*4,487,925	—	—	—	—	—	—
Depreciation expense	—	14,625,312	8,975,853	180,321	1,250,227	2,338,084	12,265,622	39,635,419	—
Balance at 31st March, 2020	—	38,494,023	16,455,730	1,056,306	3,078,144	3,875,103	24,531,244	87,490,550	—
Carrying amount as at 31st March, 2020	—	7,119,310	10,471,751	160,703	9,444,161	7,955,707	21,464,839	56,616,471	2,809,455

* Amounts reflecting towards adjustments are reclassification of assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
NOTE 4. OTHER FINANCIAL ASSETS		
Non-current		
Bank Balances		
Deposits with maturity more than twelve months		
— Margin money deposits. (Refer Footnote)	5,000,000	5,000,000
Security deposits	39,500	39,500
Total	5,039,500	5,039,500

Footnote:

Balances with bank in margin money and fixed deposits are kept as security for guarantees / other facilities.

Current

Other Advances and Receivables

Related party	—	—
Others	63,758,422	82,980,586
	63,758,422	82,980,586
Interest accrued and due on fixed deposits	626,668	332,043
Total	64,385,090	83,312,629

NOTE 5. CURRENT TAX ASSETS (NET)

Advance Income Tax paid	44,502,036	31,946,241
Less: Provision for Tax	—	—
Total	44,502,036	31,946,241

Income Tax expense

(a) Income Tax expense

Current Tax		
Current Tax on taxable income for the year	—	—
Tax in respect of earlier years	—	—
Current tax expense	—	—
Deferred tax		
Decrease / (increase) in deferred tax assets	4,918,810	(29,928,345)
(Decrease) / increase in deferred tax liabilities	—	—
Deferred tax charge / (credit)	4,918,810	(29,928,345)
Income tax expense	4,918,810	(29,928,345)

(b) Reconciliation of tax expense and the accounting profit multiplied by

India's tax rate

Since the taxable income is negative, there is no current tax payable; hence reconciliation has not been provided.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
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NOTE 6. DEFERRED TAX ASSETS (NET)

The following is the analysis of deferred tax asset / (liabilities) presented in the Balance Sheet

Deferred Tax Asset	87,886,873	92,805,683
Deferred Tax Liability	—	—
Total	87,886,873	92,805,683

	Opening Balance ₹	Credit/(Charge) in Statement of Profit and Loss ₹	Closing Balance ₹
--	----------------------	--	----------------------

2019-2020**Deferred tax assets / (liabilities) in relation to:**

On account of Others	28,335,970	348,497,340	376,833,310
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis.	488,445	1,263,554,777	1,264,043,222
On account of Inventory	55,036,210	(1,620,524,215)	(1,565,488,005)
Property, plant and equipment	8,945,058	3,553,288	12,498,346
Total	92,805,683	(4,918,810)	87,886,873

2018-2019**Deferred tax assets / (liabilities) in relation to:**

On account of Tax losses	21,454,630	6,881,340	28,335,970
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis.	459,221	29,224	488,445
On account of Inventory	38,767,164	16,269,046	55,036,210
Property, plant and equipment	2,196,323	6,748,735	8,945,058
Total	62,877,338	29,928,345	92,805,683

Significant estimates: Based on the approved plans and budgets, the Company has estimated that the future taxable income will be sufficient to absorb carried forward losses and unabsorbed depreciation, which the management believes is probable. Accordingly, the Company has recognised deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
NOTE 7. OTHER ASSETS		
Current		
Advance to Suppliers	53,120,500	98,887,741
GST input credit receivable	70,487,352	129,552,446
Other Advances		
— Prepaid Expense	626,575	399,731
— Others	—	416,733
Total	124,234,427	229,256,651

NOTE 8. INVENTORIES

Inventories (lower of cost or net realisable value)

— Stock of material at site	7,847,493	42,076,150
— Stock in Trade (Acquired for Trading)	19,228,287	—
— Incomplete projects (Refer Footnote)	20,246,242,227	16,425,570,145
Total	20,273,318,007	16,467,646,295

Footnote:

The Project is under construction, and the Company has obtained loans/financial facilities against the mortgage of units to be constructed on the said project and the same is reflected as inventory. The Company has also sold units which are under construction and the lender has issued NOC for the same.

NOTE 9. CASH AND CASH EQUIVALENTS

Balances with banks:

— in current accounts	78,640,773	54,689,971
— in deposit with maturity of less than three months	9,954,306	9,954,306
Cash on hand	37,524	105,261
Total	88,632,603	64,749,538

NOTE 10. OTHER BANK BALANCES

Margin money deposits with maturity of more than three months but less than twelve months (Refer Footnote)	1,626,087	1,524,157
Total	1,626,087	1,524,157

Footnote:

Balances with bank in margin money and fixed deposits are kept as security for guarantees / other facilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
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NOTE 11. EQUITY SHARE CAPITAL

Equity share capital	481,350	481,350
Total	481,350	481,350

Authorised Share Capital:

95,000 (PY: 95,000) Ordinary Equity Shares of ₹ 10/- each	950,000	950,000
50,000 (PY: 50,000) Class A Equity Shares of ₹ 10/- each	500,000	500,000
5,000 (PY: 5,000) Class B Equity Shares of ₹ 10/- each	50,000	50,000
50,000 (PY : 50,000), 10% Non Cumulative Redeemable Preference Shares of ₹ 10 each [Refer Note 13 (iv)]	500,000	500,000
Total	2,000,000	2,000,000

Issued and subscribed capital comprises:**Ordinary Equity Shares**

37,306 (PY: 37,306) Equity Shares of ₹ 10/- each fully paid up	373,060	373,060
	373,060	373,060

Class A Equity Shares

10,200 (PY: 10,200) Equity Shares of ₹ 10/- each full paid up	102,000	102,000
	102,000	102,000

Class B Equity Shares

629 (PY: 629) Equity Shares of ₹ 10/- each full paid up	6,290	6,290
	6,290	6,290
Total	481,350	481,350

a) Reconciliation of number of shares outstanding at the beginning and at the end of the year

	Number of shares	Share Capital (₹)
Ordinary Equity Shares		
Balance at 1st April, 2018	37,306	373,060
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2019	37,306	373,060
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2020	37,306	373,060

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Number of shares	Share Capital
Class A Equity Shares		
Balance at 1st April, 2018	10,200	102,000
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2019	10,200	102,000
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2020	10,200	102,000
Class B Equity Shares		
Balance at 1st April, 2018	629	6,290
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2019	629	6,290
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2020	629	6,290

b) Terms / rights attached to Equity Shares:

- The ordinary equity shares have a face value of ₹ 10/- per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Class A shareholder will have preference to dividend and additional voting rights as per shareholder agreement depending on performance milestones.
- Class B shareholder will have preference to dividend and additional voting rights as per shareholder agreement depending on performance milestones.

c) Details of shares held by each shareholder holding more than 5% shares

i. Equity Share Capital

	As at 31st Mar, 2020		As at 31st Mar, 2019	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
Ordinary Equity Shares				
Huhtown Limited	22,859	61.27%	22,859	61.27%
Distinctive Realty Private Limited	2,704	7.25%	2,704	7.25%
Kimwil Investment Holdings Limited	11,191	30.00%	11,191	30.00%
Class 'A' Equity Shares				
Kimwil Investment Holdings Limited	10,200	100%	10,200	100%
Class 'B' Equity Shares				
Kimwil Investment Holdings Limited	629	100%	629	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
NOTE 12. OTHER EQUITY		
Securities premium reserve		
Balance at the beginning of the year	1,866,259,694	1,866,259,694
Add / (Less) :		
Premium on account of shares allotted during the year	—	—
Balance at the end of the year	1,866,259,694	1,866,259,694
Retained Earnings		
Balance at the beginning of the year	(215,192,341)	(157,424,271)
Profit attributable to the owners of the Company	(88,502,890)	(58,012,570)
Other comprehensive income for the year	(32,754)	244,500
Balance at the end of the year	(303,727,985)	(215,192,341)
Total	1,562,531,709	1,651,067,353

NOTE 13. BORROWINGS**Non-current**

(i) Debentures — Secured		
57 (PY : 57) 15% Listed, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹ 1 crore each (Refer footnote a)	570,000,000	570,000,000
(ii) Premium on redemption of debentures	978,120,640	687,626,081
(iii) Term Loans — Secured		
— From financial institutions (Refer footnote b)	8,371,105,333	7,356,925,461
(iv) Liability Component of Preference Shares 1,865 (PY : 1,865) 10% Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up (Refer footnotes c and d)	18,650	18,650
	9,919,244,623	8,614,570,192
Less: Transferred to Current Maturities Of Long Term Loan from Financial Institutions	(2,000,000,000)	—
	(2,000,000,000)	—
Total	7,919,244,623	8,614,570,192

Footnotes:

- a.
 - i. Debentures are to be redeemed on 29th December, 2021.
 - ii. Debentures carry coupon at the rate of 15%, the debentures are to be redeemed at 25% IRR post tax as on redemption date less coupon payments annually subject to availability of distributable surplus.
 - iii. The debentures are secured against second floating charge on the receivables of the project.
 - iv. The Company is in process of renewal of rating for the Debentures.
- b.
 - i. Term loan of ₹ 84,759 lakhs carry effective interest at the rate of 18.90 % p.a.
 - ii. Amount of ₹ 1,048 lakhs related to deferred expenses towards processing charges is debited to loans from financial institutions.
 - iii. Term loans are secured against Property situated at Prabhadevi, Mumbai, and future receivables from the said project. Further 14,737 Equity shares of the Company held by Promoter Company Hubtown Limited are pledged for the term loan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- iv. The term loan is disbursed in the month of December 2017, it has moratorium period of 27 months and thereafter loan repayment schedule is as follows :

Particulars	Amount (₹ in lakhs)	Amount (₹ in lakhs)
December 17 to Jan 2021 (quarterly 25 Cr)	10,000	10,000
Apr 2021-Jan 2023 (quarterly Rs. 25 Cr)	20,000	20,000
April 2023-Oct 2023 (quarterly Rs. 40 Cr)	12,000	12,000
January 24	8,000	8,200
Total sanctioned amount	50,000	50,200

	As at 31st March, 2020	As at 31st March, 2019
	₹	₹

c. **Details of Preference shares held by preference share holders**

Preference Share Capital

Hubtown Limited

No of shares held

1,865

1,865

% holding of this class of shares

100

100

d. **Reconciliation of Number of shares outstanding at the beginning and at the end of the year**

	Number of shares	Amount ₹
Preference Shares		
Balance at 1st April, 2018	1,865	18,650
Add : Issued during the year	—	—
Less : Bought back during the year	—	—
Balance at 31st March, 2019	1,865	18,650
Add : Issued during the year	—	—
Less : Bought back during the year	—	—
Balance at 31st March, 2020	1,865	18,650

Note:

The preference shares have been classified as a financial liability as per Ind AS 32 and 109. As per Ind AS 32 and 109 if the issuer does not have the unconditional right to avoid cash outflow at the end of the term of preference shares, the instrument is classified as a financial liability. Hence they have been grouped under non-current borrowings.

Particulars	Amount (₹)	Amount (₹)
Current		
(i) Overdraft — Secured		
— From Financial Company (Refer footnote a)	—	37,500,000
Total	—	37,500,000
Unsecured (Refer Footnote b)		
(i) Loans repayable on demand:		
— From Related Party	377,018,643	307,770,321
— From Companies	280,757,610	208,909,357
Total	657,776,253	516,679,678
Total	657,776,253	554,179,678

Footnotes:

- a. Overdraft facility of ₹ Nil ; (P Y - ₹ 375 lakhs) carry effective interest at the rate of 18.90% pa and are secured against Property situated at Prabhadevi, Mumbai, and future receivables from the said project. Further, 14,737 Equity shares of the Company held by Promoter Company Hubtown Limited are pledged for the said loan.
- b. Unsecured loans carry interest rate @ 25% and 14.9%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
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NOTE 14. TRADE PAYABLES

Due to micro and small enterprises (Refer Footnote)	8,363,738	18,326,942
Due to others	1,430,831,900	1,424,414,626
Total	1,439,195,638	1,442,741,568

Footnotes:

- The above information has been provided as available with the Company to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED Act. The overdue principal amounts outstanding to the extent ₹ 7,473,183/- (P.Y- ₹ 3,394,546/-) are payable to such vendors at the Balance Sheet date. The interest on overdue amount has not been provided/ paid since there are differences in supplier account balances which is under reconciliation.
- Trade payable includes ₹ 1,915,710/- (P.Y.: ₹ Nil) due to related parties. Further attention is invited to Note 28.

NOTE 15. OTHER FINANCIAL LIABILITIES**Non-current**

Retention money payable (Refer footnote)	23,031,216	17,956,067
Total	23,031,216	17,956,067

Footnote:

Retention Money liability to contractors which are due for payment as at 31st March, 2020 have been shown under the head "Other Financials Liabilities as per Ind AS-32. As per the management, the retention liability is in the nature of holding the amount as guarantee towards performance and does not relate to credit period given by the contractor. Further, in the opinion of the management, there has not been any authoritative clarification/interpretation with regard to measurement of fair value in respect of above item and hence retention liability has not been discounted as on 31st March, 2020.

Current

Current maturities of long-term debts (Refer Note 13)	2,000,000,000	—
Interest accrued and due on borrowings (Refer footnote a)	102,649,503	—
Interest accrued but not due on borrowings (Refer footnote b)	1,644,357,088	1,282,903,163
Overdraft Bank balance	355,920,827	—
Retention money payable	3,316,325	49,698,438
Security deposits (Refundable)	700,000,000	700,000,000
Other payables	158,860,282	160,528,965
Total	4,965,104,025	2,193,130,566

Footnotes:

- The Interest accrued and due on borrowing amounting to ₹ 102,649,503/- on a borrowing from Financial institution is under moratorium vide RBI circular COVID-19 – Regulatory Package dated 27th March 2020 . The request for moratorium has been accepted by the Financial institution.
- Interest accrued but not due on borrowings includes ₹ 83,195,321/- (P.Y.: ₹ 69,248,322/-) due to related parties. Further attention is invited to Note 28.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
NOTE 16. PROVISIONS		
Non-current		
Employee Benefits		
Provision for Gratuity	1,826,567	1,096,618
Provision for leave benefit	567,515	186,445
Total	2,394,082	1,283,063
Current		
Employee Benefits		
Provision for Gratuity	8,475	31,662
Provision for leave benefit	384,112	261,647
Total	392,587	293,309
NOTE 17. OTHER CURRENT LIABILITIES		
Current		
Advance from customers	4,064,632,872	2,508,531,930
Other payables :		
— Statutory dues	111,847,437	76,794,750
— Employees benefit payables	2,418,757	2,984,208
Total	4,178,899,066	2,588,310,888
NOTE 18. REVENUE FROM OPERATIONS		
Revenue from Sale of trading materials	57,728,080	135,908,099
Other operating revenue :		
Excess Provision written back	12,800	1,483,421
Sundry Credit balance appropriated	294,623	-
Royalty Income	3,398,895	2,833,430
Others	-	2,100,000
Total	61,434,398	142,324,950
NOTE 19. OTHER INCOME		
Interest Income:		
Bank fixed deposits	1,009,882	1,037,734
Others	485,094	-
	1,494,976	1,037,734
Miscellaneous income	1,224,799	-
Total	2,719,775	1,037,734

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Year ended 31st March, 2020	Year ended 31st March, 2019
	₹	₹

NOTE 20. COSTS OF CONSTRUCTION / DEVELOPMENT

Construction costs incurred during the year:

Land / rights acquired	489,076,500	767,552,590
Material and labour costs	592,731,875	1,039,448,285
Approval and consultation expenses	143,377,091	464,128,103
Other direct development expenses	9,608	25,000
Total	1,225,195,074	2,271,153,978

NOTE 21. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Opening Inventory :

Incomplete projects	16,425,570,143	11,542,021,702
	16,425,570,143	11,542,021,702

Closing Inventory :

Incomplete projects	20,246,242,227	16,425,570,143
Stock in Trade (Trading Material)	19,228,287	—
	20,265,470,514	16,425,570,143
Total	(3,839,900,371)	(4,883,548,441)

NOTE 22. EMPLOYEE BENEFITS EXPENSE

Salaries, bonus, etc.	36,299,189	32,427,306
Contribution to provident and other funds	1,167,214	1,043,950
Staff welfare expenses	483,559	301,753
Other fund expenses	40,682	38,431
Total	37,990,644	33,811,440

NOTE 23. FINANCE COSTS

Interest costs:

Interest on Debentures	205,128,970	176,530,408
Premium on Redemption of debentures	290,494,559	218,775,474
Interest on Fixed loans	1,609,585,811	1,219,390,077
Other interest expense (Refer foot note b)	362,555,509	826,158,305
Total	2,467,764,849	2,440,854,264

Footnotes:

- In the line with IND AS-23 'Borrowing Costs,' the borrowing cost of ₹ 2,467,764,849/- (P.Y. ₹ 2,440,854,264/-) have been capitalised to Inventory.
- Other Interest Expense includes amount ₹ 92,439,246/- (P.Y. ₹ 76,942,580/-) from the related party. Further, attention is invited to Note 28.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Year ended 31st March, 2020 ₹	Year ended 31st March, 2019 ₹
NOTE 24. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of property, plant and equipment	27,369,797	21,242,628
Amortisation of Project office	12,265,622	12,265,622
Total	39,635,419	33,508,250

NOTE 25. OTHER EXPENSES

Insurance	2,849,326	1,917,502
Rent	1,663,540	1,623,540
Rates and taxes	47,333,870	57,724,202
Advertisement expenses (Refer footnote a)	28,319,677	26,783,830
Advances and other debit balances written off	840,832	232,409
Donations	—	5,900,000
Brokerage	12,316,512	19,294,947
Travelling and conveyance	2,853,171	1,995,299
Repairs and society maintenance charges	1,584,339	1,249,046
Legal and professional fees	8,033,303	34,251,824
Loss on foreign currency fluctuation (Net)	304,495	370,931
Other expenses (Refer footnote b)	22,133,669	15,265,403
Total	128,232,734	166,608,933

Footnotes:

- Advertisement Expenses includes ₹ 5,516,189/- (P.Y.: ₹ Nil) due to related parties. Further attention is invited to Note no. 28.
- Auditors Remuneration (included in other expenses)

Audit fees	250,000	250,000
Other certification fees	125,000	75,000
Limited review fees	50,000	25,000
Service tax/GST on above	76,500	63,000
Total	501,500	413,000

NOTE 26. EARNINGS PER SHARE (EPS)

Earning Per Share has been computed as under:

Profit /(Loss) for the year	(88,502,890)	(58,012,570)
Weighted average number of equity shares outstanding	48,135	48,135
Earnings Per Share (₹) — Basic (Face value of ₹10 per share)	(1,839)	(1,205)
Diluted earning per share is same as basic earning per share.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Year ended 31st March, 2020 ₹	Year ended 31st March, 2019 ₹
NOTE 27. POST RETIREMENT BENEFIT PLANS		
The Principal assumptions used for the purpose of the actuarial valuations were as follows:		
Gratuity:		
Discount Rate	6.80%	7.64%
Expected rate of salary increase	6%	6%
Expected average remaining service	16.76	17.4
Service cost		
Current service cost	587806	517396
Past service cost and (gain)/loss from settlement	—	—
Net interest expense	86201	60934
Component of defined benefit cost recognised in profit or loss	674,007	578,330
Actuarial (gains) / losses for the period	32,754	(244,500)
Component of defined benefit cost recognised in other comprehensive income	32,754	(244,500)
Total	706,761	333,830
Present value of funded defined benefit obligation	1,835,041	1,128,280
Fair value of plan assets	—	—
Funded status	(1,835,041)	(1,128,280)
Movement in PV of defined benefit obligation		
Opening defined benefit obligation	1,128,280	794,450
Current service cost	587,806	517,396
Interest cost	86,201	60,934
Actuarial (gains) / losses for the period	32,754	(244,500)
Closing defined benefit obligation	1,835,041	1,128,280
Movements in fair value of plan assets		
Opening fair value of plan assets	—	—
Closing fair value of plan assets	—	—
Asset Information:		
Gratuity Fund	—	—
Expected Payout:		
	PVO Payout	PVO Payout
Expected Outgo First Year	8,474	
Expected Outgo Second Year	43,062	
Expected Outgo Third Year	47,962	
Expected Outgo Fourth Year	54,245	
Expected Outgo Fifth Year	61,066	
Expected Outgo Sixth to Tenth Years	1,811,168	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Sensitivity Analysis:

As of 31st March, 2020, every percentage point increase in discount rate will affect our gratuity benefit obligation ₹ 1,655,144.

As of 31st March, 2020, every percentage point decrease in discount rate will affect our gratuity benefit obligation ₹ 2,043,556.

As of 31st March, 2020, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation ₹ 2,040,588.

As of 31st March, 2020, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation ₹ 1,654,491.

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.

Projected service cost as on 31st March, 2021 is ₹ 660,589.

Narrations:

1 Analysis of Defined Benefit Obligation

The number of members under the scheme have remained same. Similarly the total salary decreased by 4.01% during the accounting period. The resultant liability at the end of the period over the beginning of the period has increased by 62.64%.

2 Expected rate of return basis:

Scheme is not funded. EORA is not applicable.

3 Description of Plan Assets and Reimbursement Conditions

Refer Note 1 XII (b)

4 Investment/ Interest Risk

Since the scheme is unfunded the Company is not exposed to Investment/ Interest risk.

5 Longevity Risk

The Company is exposed to risk of employees living longer as the benefit under the scheme ceases on the employees separating from the employer for any reason.

6 Risk of Salary increase

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

7 Discount Rate

The Discount rate has decreased from 7.64% to 6.80% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

NOTE 28. RELATED PARTY DISCLOSURE

I) List of related parties (as certified and confirmed by the management):

A. Entities with joint control over the reporting entity

- 1 Hubtown Limited

B. Subsidiaries of entities with joint control over the reporting entity (with whom transactions have taken place)

- 1 Diviniti Projects Private Limited

C. Other Companies

- 1 Powersoft IT Private Limited (w.e.f. 1st October, 2019)

Note: Related party relationships are as identified by the Company and relied upon by the Auditor.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**II) Related party transactions and balance as at year end:**

Particulars	Entities with joint control over the reporting entity	Subsidiaries of entities with joint control over the reporting entity	Amount in ₹	
			As at 31st March, 2020	As at 31st March, 2019
A. Transactions / Related parties				
i. Loans and Advances received \ recovered \ adjusted				
Hubtown Limited	133,748,322 (61,350,489)	— (—)	— (—)	— (—)
ii. Loans and Advances given \ repaid \ recovered \ adjusted				
Hubtown Limited	64,500,000 (—)	— (—)	— (—)	— (—)
iii. Advance repaid				
Diviniti Projects Private Limited	— (—)	— (1,764,105)	— (—)	— (—)
iv. Consultancy and server rental charges				
Powersoft IT Private Limited	— (—)	— (—)	4,897,000 (—)	— (—)
v. Interest expense				
Hubtown Limited	92,439,246 (76,942,580)	— (—)	— (—)	— (—)
vi. Selling and Marketing Expenses				
Hubtown Limited	5,516,189 (—)	— (—)	— (—)	— (—)
vii. Paid against Credit balances				
Hubtown Limited	3,600,479 (—)	— (—)	— (—)	— (—)
			₹	₹
B. Balance outstanding payables / receivables:				
a. Balance Payable				
Holding company				
Hubtown Limited — Loan		377,018,643	307,770,321	
Hubtown Limited — Interest		83,195,321	69,248,322	
Hubtown Limited — Expenses		1,915,710	—	
Other Companies				
* Powersoft IT Private Limited		8,118,400	—	

* Including balances related to transactions entered into when these were not related

Note: Figures in brackets are of the previous year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 29. CONTINGENT LIABILITY

Sr. No.	Particulars	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
1	Workmen's liability of erstwhile, Hindoostan Spinning and Weaving Mills Limited (Refer Foot note 1)	2,068,115	2,068,115
2	Chief Controlling Revenue Authority (Refer Foot note 2)	49,31,14,151	Uncertain

Footnotes:

1. The Hindoostan Spinning and Weaving Mills Limited (HSWML), a body corporate had in the year 2002 declared a Voluntary Retirement Scheme (VRS). The VRS liability, alongwith other assets and liabilities, vide Scheme of the Board of Industrial and Financial Reconstruction (BIFR), dated April 1, 2004 was inherited by Hoary Realty Limited (Formerly known as Chaitra Realty Limited). Some of the workers didn't accept VRS and insisted on continuation of job. The Company thereupon declared closure. After going through various appellant bodies the matter was referred to the Industrial Tribunal which passed its order confirming closure. A writ petition was filed by the workers Union against the order of Industrial Tribunal. The said dispute is yet to be resolved fully. Liability disclosed herewith is net of Advances paid amounting Rs. 517,097/-.
2. The Department of Stamps and Registrations claimed that pursuant to the Audit by the office of the Accountant General, Govt. Of Maharashtra, it has come to their notice that there is a short levy of stamp duty of Rs. 22 crores and odd on the JDA which is adjudicated and registered. The Company challenged the above observation before the CCRA and IGR u/s 53-A of the stamp Act. The hearing in the matter was concluded on December 26, 2017. However, no orders were passed by the CCRA. Later on in 2019, the Company recieved a notice from the CCRA that after the audit objection there is a shortfall of stamp duty of ₹. 67 crores and odd and the Collector of Stamps has requested for initiation of suo moto revision u/s 53-A of the Stamp Act. This petition is filed by the Company challenging the authority of the CCRA and IGR to initiate a second revision u/s 53-A of the Stamp Act. The CCRA has passed a final Order in the revision undertaken by him now holding that there is a deficit of stamp duty of ₹ 493,114,151/-.

NOTE 30.

In the opinion of the Board of Directors of the Company, all items of Current Assets, Current Liabilities and Loan and Advances continue to have a realizable value of at least the amounts at which they are stated in the Balance Sheet.

NOTE 31. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

The Company manages market risk through a treasury department which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies which are approved by the senior management. The activities of this department include management of cash resources, borrowing strategies and ensuring compliance with the market risk limits and policies.

1) Market Risk

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

- Interest rates on loans are fixed as per HDFC CPLR at the time of the giving loans. It takes care of the change in interest rate hike risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate on account of changes in foreign exchange rates. The Company does not have any exposure to the risk of changes in foreign exchange rates from its operating activities or investments in foreign companies.

There is no significant purchase of materials of imported materials and hence foreign currency risk does not arise.

c) Commodity price risk

- The Company is not affected by the price volatility of commodities.
- The Company has awarded building construction contracts to its contractors on turnkey basis.

2) Credit Risk

Credit risk is the risk that the customer may not meet its obligation on time as per Agreement for Sales leading to delay in collection. The Company is not exposed to credit risk from its trade receivables since the underlying assets is in possession of the Company if any default is caused by the customer.

Credit risk from balances with banks and inter corporate loans is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved companies and within credit limits assigned to each company. The credit limits of parties to whom loans are granted are reviewed by Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make repayments.

3) Liquidity risk

The Company is in stage of construction of buildings. All allowable expenses are inventorised by as per the policy of the Company. Liquidity risk is dependent on the market demand for completed flats.

NOTE 32. DISCLOSURE OF DERIVATIVES

- No derivative instrument were outstanding at the end of the year.
- Uncovered risk in foreign currency transactions are as under :

		31st March, 2020	31st March, 2019
Trade Payables	USD	43,875	44,875
	INR	3,306,727	3,108,985

NOTE 33. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains strong capital ratios in order to support its business and maximise shareholders value. The Company's Board of Directors reviews the capital structure on an annual basis.

The capital structure of the Company consists of net debt (borrowings and offset by cash and bank balances) and total equity of the Company. The borrowings consist of debentures issued, term loans from financial institutions and loans from companies. Preference shares issued by the Company have been considered as debt in calculation of financial ratios, as it is in the nature of debt.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Gearing Ratio

The gearing ratio at the reporting period was as follows:

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
Borrowings including current Maturities (₹ 2,000,000,000 ; P.Y.: Nil)	10,577,020,876	9,168,749,870
Interest accrued and due/but not due	1,747,006,591	1,282,903,163
Total Debt	12,324,027,467	10,451,653,033
Less : Cash and Cash Equivalents	88,632,603	64,749,538
Net Debt (A)	12,235,394,864	10,386,903,495
Equity Share Capital	481,350	481,350
Other Equity	1,562,531,709	1,651,067,353
Total Equity (B)	1,563,013,059	1,651,548,703
Debt Equity Ratio A/B	7.83	6.29

NOTE 34 : CATEGORIES OF FINANCIAL INSTRUMENTS

Fair Value measurement

	31st March 2020		31st March 2019	
	FVPL / FVOCI	Amortised Cost	FVPL / FVOCI	Amortised Cost
Financial Assets				
Loans	—	—	—	—
Other financial assets	—	69,424,590	—	88,352,129
Cash and cash equivalent	—	88,632,603	—	64,749,538
Bank balances other than above	—	1,626,087	—	1,524,157
Total of Financial Assets	—	159,683,280	—	154,625,824
Financial Liabilities				
Borrowings	—	10,577,020,876	—	9,168,749,870
Trade payables	—	1,439,195,638	—	1,442,741,568
Other Financial liabilities	—	2,988,135,241	—	2,211,086,633
Total of Financial Liabilities	—	15,004,351,755	—	12,822,578,071

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**NOTE 35:**

The COVID-19 Pandemic has spread throughout the world. The operations of the Company were impacted, due to shutdown of its project site and office following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated the impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

NOTE 36 :

Previous year's figures have been regrouped/reclassified/restated wherever necessary, to make them comparable with current year figures in the financial statements.

As per our report of even date

FOR M. H. DALAL & ASSOCIATES

Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL

PARTNER
Membership No. 109049

Mumbai

Date: 26th September, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS**RUSHANK SHAH**

DIRECTOR
DIN 02960155

ANIL AHLUWALIA

DIRECTOR
DIN 00597508

PRIYANKA CHOUBEY
COMPANY SECRETARY

ALAKNANDA PURAV

CHIEF FINANCIAL OFFICER

NARENDRA REDKAR

CHIEF EXECUTIVE OFFICER

Mumbai

Date: 26th September, 2020

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Twenty Five South Realty Limited

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Registered Office: Hindoostan Mills Compound, Kashinath Dhuri Marg, Patilwadi,
Off Veer Savarkar Road, Prabhadevi, Mumbai - 400025