

TWENTY FIVE SOUTH REALTY LIMITED

26TH ANNUAL REPORT
2021 – 2022

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BOARD OF DIRECTORS

| | |
|--------------------|-------------------------|
| MR. RUSHANK SHAH | WHOLE-TIME DIRECTOR |
| MR. ANIL AHLUWALIA | NON-EXECUTIVE DIRECTOR |
| MR. SUNIL SHAH | } INDEPENDENT DIRECTORS |
| MS. VANDANA DHANKI | |

KEY MANAGERIAL PERSONNEL

| | |
|---------------------|---------------------------|
| MR. PRAPHUL SHINDE | - CHIEF EXECUTIVE OFFICER |
| MS. ALAKNANDA PURAV | - CHIEF FINANCIAL OFFICER |
| MS. JAYA VERMA | - COMPANY SECRETARY |

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
PRACTICING 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 - 400051 | CATALYST TRUSTEESHIP LIMITED WINDSOR, 6TH FLOOR, OFFICE NO. 604, C.S.T. ROAD, KALINA, SANTACRUZ (EAST) MUMBAI - 400098 |
|--|--|

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 SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON WEDNESDAY, SEPTEMBER 14, 2022 AT 11.30 AM AT PRAVINCHNDRA GANDHI BOARD ROOM, IMC BUILDING, 4TH FLOOR, IMC MARG, CHURCHGATE, NEAR CHURCHGATE RAILWAY STATION (WEST), MUMBAI – 400020 TO TRANSACT THE FOLLOWING BUSINESS: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon; and
2. To appoint a Director in place of Mr. Rushank Shah (DIN: 02960155), who retires by rotation 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. **RATIFICATION AND APPROVAL OF TRANSACTIONS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013**

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 (the ‘Rules’) and applicable provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘Listing Regulations’), if any, including any statutory modifications and amendments to each of the foregoing, and applicable notifications, clarification, circulars, rules and regulations issued by Central Government or any governmental or statutory authorities, the Memorandum and Articles of Association of the Company and Subject to such other approvals, consents, permissions and sanctions as may be applicable, including such conditions and modification as may be prescribed or imposed while granting such approvals, consents, permissions, and pursuant to the approval of the Audit Committee and the Board of Directors of the Company, the members of the Company do hereby ratify and also accord consent to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any committee of directors constituted by the Board) for entering into or continuing with the transactions (whether individual transactions or transaction taken together or series of transaction) / arrangements / contract (including any other transfer of resources, services or obligations) including material related party transactions, as defined under the Act and the Listing Regulations, hitherto enter into by the company from time to time and to be enter into from the Financial Year 2022-2023 and onwards for each financial year upto the maximum amount per annum as per details provided hereunder, on such terms and conditions as may be mutually agreed upon between the Company and the related party(ies):

MAXIMUM VALUE PER EACH TYPE OF CONTRACT / TRANSACTION INTER-CHANGEABLE PER ANNUM W.E.F. APRIL 1, 2022

| Transactions as defined under Section 188 (1) of the Companies Act, 2013 / Listing Regulations | | |
|---|--|---------------------------------|
| Name of Related Parties | Nature of Transaction | Amount (₹ in crores) |
| Nitant Real Estate Private Limited | 1. Making investment in securities / capital contribution; | 500 |
| Distinctive Realty Private Limited | 2. Making loans / business advances / inter-corporate deposits; | 150 |
| Amazia Developers Private Limited | 3. Providing corporate guarantees / securities / collaterals for loans availed; | 100 |
| Buildbyte.com (India) Private Limited | 4. Leasing of property of any kind; | 20 |
| Power Soft IT Private Limited | 5. Availing/rendering of services; | 20 |
| Mr. Khilen Shah | 6. Sale/purchase/supply of goods and materials; and 7. Selling or otherwise disposing of, or buying property of any kind including FSI / TDRs. 8. Any other transfer of resources / services or obligations 9. Salary/Remuneration to related parties | 0.80 |

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which term shall be deemed to include any Committee which the Board has constituted or may constitute hereafter to exercise its powers herein conferred) be and is hereby authorised to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise with regard to the said transactions and to finalize and execute all such agreements, deeds, documents and writings and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any committee of Directors or any Director or any other officer(s) of the Company as it may consider appropriate in order to give effect to this resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in respect of the aforesaid resolution be and are hereby approved, ratified and confirmed in all respect.”

As a Special Resolution:**4. APPROVAL FOR LOANS, INVESTMENTS, GUARANTEE OR SECURITY UNDER SECTION 185 OF COMPANIES ACT, 2013:**

“RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals, consents, sanction and permissions as may be necessary, approval of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include, unless the context otherwise requires, any committee which the Board may have constituted or hereinafter constituted) to give any loan, including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by the following Companies (hereinafter referred to “Borrowing Companies”) or such other entities in which any Director(s) of the Company, either directly or indirectly, are interested, is deemed to be interested (collectively referred to as the “Entities”), up to an amount not exceeding in aggregate ₹ 800 Crores [Rupees Eight Hundred Crores Only] at any point in time, in its absolute discretion deem beneficial and in the best interest of the Company:

- 1) Nitant Real Estate Private Limited
- 2) Distinctive Realty Private Limited
- 3) Amazia Developers Private Limited

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, approval of Members of the Company be and is hereby accorded to the Board of Directors of the Company and the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and take all steps as may be necessary including without limitation, the determination of the terms and conditions of the loans and / or guarantee including among other things, the security for repayment, tenure of loan, tranches, interest rate and to sign and execute all deeds, documents, undertakings, agreements, papers, declarations and writings as may be required in this regards and / or to settle all questions, difficulties or doubts that may arise at any stage from time to time including amendment or the terms and conditions at which the loan is granted or security is provided as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek further consent or approval of the Members or otherwise.

As a Special Resolution:**5. APPOINTMENT OF MR. RUSHANK V SHAH AS WHOLE-TIME DIRECTOR OF THE COMPANY**

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), as amended from time to time (“Act”) and based on the recommendation of the Nomination and Remuneration Committee, consent of the members of the Company be and is hereby accorded for appointment of Mr. Rushank V. Shah [DIN: 02960155] as Whole-Time Director of the Company for a period of 3 (three) years, with effect from August 12, 2022 to

August 11, 2025, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed hereto, with authority to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be accepted to Mr. Rushank V Shah;

RESOLVED FUTHER THAT where in any financial year during the currency of tenure of Mr. Rushank V Shah as Whole-Time Director, the Company has no profit or its profits are inadequate, the remuneration, perquisites and other allowances payable shall be governed by the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this 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
Whole-Time Director
(DIN: 02960155)**

Mumbai

Date: August 12, 2022

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY**
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder. A Proxy form is enclosed herewith.
4. A Proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.
5. Explanatory Statement pursuant to Section 102 of the Act relating to item no. 3, 4 & 5 of the Notice of this 26th AGM is annexed hereto as “**Annexure- I**”. Also, relevant details in respect of the Director seeking appointment/ re-appointment at the AGM, in terms of Clause 1.2.5 of Secretarial Standard – 2 on General Meetings is also annexed to this notice as “**Annexure- II**”.

6. Corporate Members intending to attend the Meeting through their authorized representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney (PDF/JPG Format), if any, authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Company by email through its registered email address i.e. info@twenty5south.com.
7. Members may also note that the Notice of 26th Annual General Meeting and Annual Report 2021-2022 will be available on the website of the Company at www.25south.in.
8. The Register of Members and Share Transfer books of the Company will remain closed from September 08, 2022 to September 14, 2022 (both days inclusive), for the purpose of AGM.
9. 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 for inspection by the members without any fee by the members.
10. In case of joint holders, those members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. Members/Proxies/Representatives should bring the enclosed duly filled Attendance Slip, for attending the Meeting

Annexure-I

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

ITEM NO. 3

Section 188 of the Companies Act, 2013 (the Act) read with Rules 15 and 16 of the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules) prescribes the procedure for approval of related party transaction(s). Further, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), if any, provides that all material related party transactions shall require the approval of the shareholders through an ordinary resolution. The first proviso to sub-section (1) of section 188 provides that a transactions not exceeding such sums a prescribed under Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 provides that, except with the prior approval of the members, a company shall not enter into a transaction or transactions as mentioned below:

- (i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company;
- (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company;
- (iii) leasing of property any kind amounting to ten percent or more of the turnover of the company;
- (iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company.
- (v) for appointment of any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees.

The proviso to Section 188 (1) also states that nothing in Section 188 (1) will apply to any transaction entered into with a related party by the Company in its ordinary course of business and on arm's length basis.

Based on the provisions of Section 188 of the Act and the Rules made thereunder and the Listing Regulations, the Audit Committee and the Board of Directors of the Company have approved the proposed transactions detailed in the resolution at Item No. 3 of the accompanying Notice that the Company may enter into with its related parties as defined in Section 2 (76) of the Act and the Listing Regulations.

The maximum value of the transactions as mentioned in the table at Item No. 3 is for each type of transaction specified therein, which limits are inter-changeable, for each financial year commencing from 2022-2023 onwards.

The approval of the shareholders is being sought by an Ordinary resolution in the event of any related party transaction exceeding in each financial year, the threshold limits set out under the Listing Regulations or the limits specified in Rule 15 (3) of the Rules.

The above transactions were approved by the Audit Committee and the Board of Directors as the same are in the interest of the Company.

The particulars of the transactions pursuant to Explanation (3) to Rule 15 (3) of the Rules are as under:

| | | |
|----|---|--|
| A. | Name of the Related Parties | <ul style="list-style-type: none"> i. Nitant Real Estate Private Limited ii. Distinctive Realty Private Limited iii. Amazia Developers Private Limited iv. Buildbyte.com(India) Private Limited v. Power Soft IT Pvt. Ltd vi. Mr. Khilen Shah |
| B. | Name of the Directors or Key Managerial Personnel who is related | <p>Mr. Anil Ahluwalia and Mr. Rushank Shah, Directors of Twenty Five South Realty Limited</p> <p>Mr. Praphul Shinde, Chief Executive Officer, Ms. Alaknanda Purav, Chief Financial Officer and Jaya Verma, Company Secretary, or Key Managerial Personnels of Twenty Five South Realty Limited</p> |
| C. | Nature of Relationship | <ul style="list-style-type: none"> 1. Mr. Rushank Shah: <ul style="list-style-type: none"> a. Amazia Developers Private Limited: being private Companies in which Director are Member; b. Distinctive Realty Private Limited: being common Director. 2. Mr. Anil Ahluwalia: <ul style="list-style-type: none"> a. Nitant Real Estate Private Limited- being common Director. 3. Nitant Real Estate Private Limited- being holding Company. 4. Buildbyte.com (India) Private Limited- Private Company in which relative of a director is a member under section 2 (76) (iv) of the Companies Act, 2013. 5. Power Soft IT Pvt. Ltd- Private Company in which relative of a director is a member under section 2 (76) (iv) of the Companies Act, 2013. 6. Mr. Khilen Shah-Relative of Director. |
| D. | Nature, material terms, monetary value and particulars of contract or arrangement | <ul style="list-style-type: none"> 1. The Company may be required to grant business advance / loan and/or make investment in the securities and/or capital contribution in the entities mentioned in the resolution as a part of strategic business decision, to the extent necessary to support the business operations of the said entities. 2. Additionally, the Company may also be required to provide security by way of mortgage / hypothecation / pledge of securities held and/or charge on any of its movable/immovable properties to the extent of the loan that may be availed by the said entities from term lenders. 3. The Company may also be required to provide corporate guarantee as collateral security to the extent of the loan that may be availed by the said entities from term lenders. The corporate guarantee shall be provided for the entire duration of the loan. No commission shall be paid by the said entities to the Company in consideration thereof. 4. The Company may also enter into transaction for purchase/sale/lease of immovable properties including FSI and TDRs with the said entities. 5. As a condition for loans that may be availed by the Company from term lenders the promoters / promoter group may be required to provide security for such borrowings by way of pledge of the shares of the Company held by them in favour of the respective lenders. Such shares shall continue to remain pledged for the entire duration of the loan. 6. Salary /Remuneration to related parties |

The transactions of the Company with the above mentioned related parties put up for approval are in the ordinary course of business and on arm's length basis and these transactions are based on business requirements and are necessary for the smooth and efficient functioning of your Company.

The Board recommends a ordinary resolution as set out at Item No. 3 of the accompanying Notice for approval by unrelated shareholders of the Company in terms of Section 188 (3) of the Act and Listing Regulations, if any.

Except the Directors and their relatives (to the extent of their shareholding in the Company), mentioned hereinabove, no other Directors or the relatives of the Directors or Key Managerial Personnel are concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 4

The Board of Directors seek consent of the Members by way of Special Resolution pursuant to section 185 of the Companies Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by the Entities for capital expenditure of the project and/or working capital requirement including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities.

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

The Board recommends the special resolution as set out at Item No.4 of the accompanying Notice under the provisions of Section 185 of the Act to advance any loan including any loan represented by book debt, or give guarantee or provide any security in connection with any loans / debentures / bonds etc. raised by any entities in whom any of the Directors of the Company is interested up to an aggregate amount not exceeding ₹ 800 cr. (Rupees Eight Hundred Crores Only) or in other currency for an equivalent amount.

None of the Directors except Directors interested in above resolution, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the said resolution. Your Board recommends the said resolution, as special resolution, for your approval.

ITEM NO. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on August 12, 2022, appointed Mr. Rushank V Shah as Whole-Time Director of the Company for a period of 3 (three) years from August 12, 2022 to August 11, 2025, on the terms and conditions as detailed in para 2 below.

The terms and conditions of his appointment and remuneration payable are as under:

Term of Appointment: 3 years with effect from August 12, 2022 to August 11, 2025.

Nature of Duties: The Whole-Time Director shall devote his Whole-Time and attention to the business of the Company and shall carry out such functions, exercise such powers of management and carry out such duties as may be entrusted to him by the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associate companies / joint ventures / subsidiary companies from time to time.

Remuneration :

Salary: ₹ 56,00,000/- per annum (Gross) in the scale of ₹ 56,00,000/- to ₹ 80,00,000/- with authority to the Board of Directors of the Company ('the Board') to grant such increments within the said scale as it may determine from time to time, based on the recommendations of the Nomination and Remuneration Committee.

Perquisites, Benefits and Allowances: Perquisites are classified into three categories 'A', 'B' and 'C' as follows:

CATEGORY 'A':

Medical Reimbursement: Medical expenses incurred for self and family in accordance with the Rules of the Company.

Leave Travel Concession for self and family once a year not exceeding one month's basic salary in accordance with the Rules of the Company.

Other Allowances: As may be decided by the Board/Nomination and Remuneration Committee from time to time, subject to the provisions of the Act and Schedule V thereto.

Explanation: Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

CATEGORY 'B':

Company's contribution to provident fund and payment of gratuity shall be as per the Rules of the Company.

Leave/Leave encashment as per the Rules of the Company.

Explanation: Contribution to provident fund, payment of gratuity and encashment of leave at the end of the tenure shall not be included in the computation of the ceiling on remuneration.

CATEGORY 'C' (AMENITIES):

The Whole-Time Director shall be entitled to the expenses actually incurred on travelling and boarding and lodging for self and also for spouse and attendant, if required, accompanying him on domestic and overseas business trips.

Explanation: The amenities shall not be included in the computation of the ceiling on remuneration.

Minimum Remuneration:

Where in any financial year during the tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, the remuneration, perquisites and other allowances payable to the Whole-Time Director shall be governed by the limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 as amended from time to time.

Other Terms and Conditions:

The Whole-Time Director shall not become interested or otherwise concerned directly or indirectly or through his spouse and/or children, in any selling agency of the Company.

The terms and conditions of the appointment of the Whole-Time Director may be altered and varied from time to time by the Board as it may, in its discretion deem it in such manner as may be agreed to between the Board and the Whole-Time Director, subject to such approvals as may be required.

The Whole-Time Director shall abide by the provisions contained in Section 166 of the Act with regard to the duties of director.

The Whole-Time Director shall be liable to retire by rotation.

The Agreement may be terminated by the Company or the Whole-Time Director by giving not less than three months' notice in writing.

Mr. Rushank V. Shah satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under sub-section 3 of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

General information:

- (1) Nature of industry: Real Estate & Construction
- (2) Date or expected date of commencement of commercial production: 10.07.1996
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators:

(₹ In Lakh)

| Particulars | 2019-2020 | 2020-2021 | 2021-2022 |
|------------------------|-----------|-----------|-----------|
| Total Income | 641 | 6111 | 878 |
| Profit/Loss Before Tax | (835) | (1,779) | (2,134) |
| Profit After Tax | (885) | (582) | (1,538) |
| Dividend on Equity | — | — | — |

- (5) Foreign investments or collaborations, if any: There were no foreign investments or collaborations during the year.

Information about the appointee:

- (1) **Background details:** Mr. Rushank V. Shah, Whole-Time Director of Twenty Five South Realty Limited. Mr. Rushank V. Shah possesses International Baccalaureate Diploma from American School of Mumbai and Bachelor of Arts degree in Economics from University of Illinois at Urbana-Champaign, USA
- (2) **Past remuneration:** NA

- (3) **Recognition or awards:** NA
- (4) **Job profile and his suitability:** Mr. Rushank Shah has 7 years of experience in executing diverse real estate and engineering projects. Mr. Rushank Shah is the key driving force behind the Company's design and engineering planning, construction, execution, marketing and sales functions as well as future business expansion strategies and plans for the Company.
- (5) **Remuneration proposed:** As resolution set out in Item No. 5 of the Notice of AGM, the remuneration of Mr. Rushank Shah has the approval of Board and Nomination and Remuneration Committee.
- (6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** The proposed remuneration to Mr. Rushank Shah is reasonably in line with the remuneration in the industry of similar size companies in the same segment of business for similarly placed position and person.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

None of the other Directors/Key Managerial Personnel/ their relatives holds any pecuniary relationship with the Company.

Other information:

(1) **Reasons of loss or inadequate profits:**

Due to economic slowdown, high volatility in material price and worldwide outbreak of novel coronavirus (COVID-19) pandemic consequently nationwide lockdown and second surge of the deadliest pandemic in the country, shortage of man power, during the pandemic, the sector was badly hit due to reverse migration of construction workers which affected the construction activity severely, leading to delayed timelines of project completion, delayed working capital cycle, increased competition coupled with adverse market conditions are also resulted into lower profitability for the Company. Thus, the Company incurred a loss for the Financial Year 2021-22.

(2) **Steps taken or proposed to be taken for improvement:**

All these steps are taken by the Company for improving the performance and reducing the debt burden.

- a) To reduce operational and other costs so as to reduce the burden on working capital requirements.
- b) Exploring better resources to borrow monies at cheaper rate of interest to avoid burden of additional finance cost of the Company.
- c) The Company has taken several cost cutting measures to sustain the operations and to optimize the use of its financial resources.

(3) **Expected increase in productivity and profits in measurable terms:**

The Company has taken all out measures to reduce costs as well as improve operational efficiency/ productivity and the Company undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms

Disclosures

The remuneration package proposed to be given to Mr. Rushank V. Shah is as per the details given in the resolution. The respective tenure of the aforesaid managerial personnel shall be governed by the resolutions passed by the Shareholders in General Meetings with a notice period of three months by either side.

Mr. Rushank V. Shah is holding 02 Equity Shares of the Company of Face Value of ₹ 10/- each.

The brief profile of Mr. Rushank V. Shah, in terms of the Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, have been provided to this Notice.

None of the Directors, Key Managerial Person or their relatives is concerned or interested in this resolution. The Board recommends the passing of said Special Resolution as set out in item no. 5 for your approval.

The above may be treated as a written memorandum setting out the terms of reappointment of Mr. Rushank V. Shah under Section 190 of the Act.

In compliance with the provisions of Sections 196, 197, 198 and 203 and other applicable provisions of the Act, read with Schedule V to Act, the resolution as set out Item No. 5 of the accompanying Notice is placed before the members for their approval.

A copy of the draft Agreement proposed to be executed between the Company and Mr. Rushank V. Shah setting out the terms and conditions of appointment is available for inspection by the Members during the normal business hours on any working day (except Saturday) and during the AGM.

The Directors are of the view that the appointment of Mr. Rushank V. Shah as Whole-Time Director will be in the best interest of the Company having regard to his immense knowledge and vast and varied business experience

Registered Office:

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

Mumbai

Date: August 12, 2022

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

**Rushank Shah
Whole-Time Director
(DIN: 02960155)**

Annexure - 'II'

DETAILS OF DIRECTOR SEEKING APPOINTMENT/REAPPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 1.2.5 OF SECRETARIAL STANDARD SS-2 ON GENERAL MEETINGS

| | |
|--|---|
| Name of the Directors → | Mr. Rushank Shah |
| Particulars ↓ DIN → | 02960155 |
| Category | Executive |
| Age | 35 years |
| Date of first appointment on Board | August 08, 2011 |
| Qualification | Bachelor of General Law; Bachelor of arts in Economics; Masters of Science in real Estate Development |
| Experience in functional area | Over 11 years |
| Nature of expertise in specific functional areas. | Sales, Designing, Project Management, Business Administration |
| Terms and conditions of appointment / reappointment along with details of remuneration sought to be paid | Re-appointment as an Executive Director liable to retire by rotation |
| Remuneration last drawn | Not Applicable |
| No. of shares held as on March 31, 2022 (either singly or as first named joint shareholder only) | 02 |
| Relationship with other Directors, Manager and Key Managerial Personnel | None |
| No. of Board meetings attended during the year | 09 |
| Directorships in other companies as on March 31, 2022 (Public Limited Companies) | <ul style="list-style-type: none"> • Helik Advisory Limited • Vama Housing Limited • Vishal Nirman (India) Ltd • Gujarat Akruti - TCG Biotech Limited |
| Membership / Chairmanship of Committees of other public limited companies (Audit Committee and Stakeholders Relationship Committee only) | None |

REPORT OF DIRECTORS

TO

THE MEMBERS

TWENTY FIVE SOUTH REALTY LIMITED

Your Directors have pleasure in presenting their Twenty Sixth Annual Report on the business and operations of the Company together with the Audited Statements of Account for the financial year ended March 31, 2022 and the Independent auditors' report thereon.

FINANCIAL HIGHLIGHTS:

The financial highlights of the Company for the year ended March 31, 2022 are as hereunder:

(₹ In Lakh)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|----------------------------|------------------------------|------------------------------|
| Total Income | 878 | 6111 |
| Total Expenses | 3012 | 7890 |
| Profit / (Loss) before Tax | (2134) | (1779) |
| Profit / (Loss) after Tax | (1538) | (582) |

STATE OF THE COMPANY'S AFFAIRS:

During the year under review, the total income of the Company decreased to ₹ 878 lakh from ₹ 6111 lakh in the previous year. The total expenses of the Company decreased from ₹ 7890 lakh in the previous year to ₹ 3012 lakh during the year under review. The net loss of the Company for the year under review stood at ₹ 1538 lakh as against loss of ₹ 582 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.

The outbreak of COVID-19 had disrupted regular business operations of the Company due to the lock down restrictions and other emergency measures imposed by the Government from time to time. The operations of the Company have started recovering from the economic slowdown caused by COVID-19 pandemic and reaching normalcy. 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 company continues to closely observe the evolving scenario and take into account any future developments arising out of the same. 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:**a. Authorised Share Capital**

During the year under review, there has been no change in the Authorised Share Capital of the Company, as on March 31, 2022, the Authorised Share Capital of the Company was ₹ 20,00,000 (Rupees Twenty Lakh Only).

b. Paid-up Share Capital

During the year under review, there has been no change in the Paid-up Share Capital of the Company, as on March 31, 2022 Paid up Equity Share Capital of the Company was ₹ 4,81,350 (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).

c. Debentures**I. Company has following outstanding Non-Convertible Debentures (NCD's) as on March 31, 2022:**

| Sr. No. | Particulars | Issue Amount | Outstanding amount as on March 31, 2022 |
|---------|--|--------------------|---|
| 1 | 1000 senior, secured, rated, listed, redeemable and non-convertible debentures | ₹ 1,00,00,00,000/- | ₹ 10,00,000/- |
| 2 | 9740 junior, unsecured, unrated, unlisted, redeemable and non-convertible debentures | ₹ 9,74,00,00,000/- | ₹ 9,74,00,00,000/- |
| 3. | 57 Listed, rated Secured Cumulative redeemable Non-convertible Debentures | ₹ 57,00,00,000/- | ₹ 42,00,00,000/- |

II. Issue - Company has not issued any debenture during the Financial Year 2021-22 But after the closure of Financial Year Company has issued 3500 (three thousand five hundred) senior, secured, redeemable and non-convertible debentures of face value of ₹ 1,000,000 (Rupees one million only) each, issued at par, aggregating up to ₹ 3,500,000,000 (Rupees three billion five hundred million only).

III. Redemption – Company has made pre mature full redemption of principal & Interest amount outstanding against the 57 Listed, rated Secured Cumulative redeemable Non-convertible Debentures on May 20, 2022.

d. Issue of Shares under Employee Stock Option Scheme: During the Company has not issued any share under the Employee Stock Option Scheme.

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 Associate Company

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors:

- a) 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.
- b) In terms of Section 149 (7) of the Companies act, 2013, the Independent Director has furnished a declaration to the effect that he/she 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.
- c) During the year Ms. Vandana Dhanki (DIN: 09083495) was appointed as an Additional Director designated as Non –Executive Independent Woman Director of the Company on April 21, 2021 and regularized by the members in Annual General Meeting held on August 25, 2021.

Brief resume of Mr. Rushank Shah, 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) Mr. Rushank Shah (DIN: 02960155) appointed as Whole-Time Director of the Company on August 12, 2022 subject to the approval of members in ensuing Annual General Meeting.
- (b) Mr. Alaknanda Purav was appointed as Chief Financial Officer of the Company with effect from April 15, 2020.
- (c) Ms. Jaya Verma was appointed as a Company Secretary and Compliance Officer of the Company with effect from November 13, 2020.
- (d) Mr. Paraphul Shinde was appointed as Chief Executive Officer of the Company with effect from April 01, 2021. In place of Mr. Narendrakumar Redkar.

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. Anil Ahluwalia (DIN: 00597508) | Mr. Sunil Shah (DIN: 06947244) | Ms. Vandana Dhanki (DIN: 09083495) |
|---------|-----------------------|-------------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|
| 1 | April 21, 2021 | Present | Present | Present | Present |
| 2 | May 20, 2021 | Present | Present | Present | Absent |
| 3 | June 30, 2021 | Present | Absent | Present | Present |
| 4 | August 14, 2021 | Present | Absent | Present | Present |
| 5 | October 30, 2021 | Present | Present | Present | Absent |
| 6 | November 13, 2021 | Present | Present | Present | Present |
| 7 | January 24, 2022 | Present | Present | Absent | Absent |
| 8 | February 14, 2022 | Present | Present | Present | Present |
| 9 | March 17, 2022 | Present | Present | Present | Absent |

AUDIT COMMITTEE:

The Audit Committee was reconstituted on April 21, 2021. The composition of the Audit Committee is as under:

| Sr. No. | Name of Director | Board Designation | Committee Designation |
|---------|--------------------|----------------------|-----------------------|
| 1. | Mr. Sunil Shah | Independent Director | Chairman |
| 2. | Ms. Vandana Dhanki | Independent Director | Member |
| 3. | Mr. Anil Ahluwalia | Director | Member |

During the year under review, 5 (Five) meetings of the Audit Committee of the Company were held on 30.06.2021, 14.08.2021, 30.10.2021, 13.11.2021 and 14.02.2022. 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 said meetings are as follows:

| Sr. No. | Date of the Meeting | Mr. Anil Ahluwalia (Member) | Mr. Sunil Shah (Chairman) | Ms. Vandana Dhanki (Member) |
|---------|---------------------|-----------------------------|---------------------------|-----------------------------|
| 1 | June 30, 2021 | Absent | Present | Present |
| 2 | August 14, 2021 | Absent | Present | Present |
| 3 | October 30, 2021 | Present | Present | Absent |
| 4 | November 13, 2021 | Present | Present | Present |
| 5 | February 14, 2022 | Present | Present | Present |

The Statutory Auditors regularly attend 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 April 21, 2021. The composition of the Nomination and Remuneration Committee is as under-

| Sr. No. | Name of Director | Board Designation | Committee Designation |
|---------|--------------------|----------------------|-----------------------|
| 1. | Mr. Sunil Shah | Independent Director | Chairman |
| 2. | Ms. Vandana Dhanki | Independent Director | Member |
| 4. | Mr. Rushank Shah | Director | Member |

During the year under review, 1(One) meeting of the Nomination and Remuneration Committee of the Company was held on April 21, 2021.

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

| Sr. No. | Date of the Meeting | Mr. Anil Ahluwalia (Member) | Mr. Sunil Shah (Chairman) | Mr. Rushank Shah (Member) |
|---------|---------------------|-----------------------------|---------------------------|---------------------------|
| 1 | April 21, 2021. | Present | Present | Present |

INDEPENDENT DIRECTORS:

The Independent Directors were reconstituted on November 13, 2021. The composition of the Independent Director is as under-

| Sr. No. | Name of Director | Board Designation | Committee Designation |
|---------|--------------------|----------------------|-----------------------|
| 1. | Mr. Sunil Shah | Independent Director | Chairman |
| 2. | Ms. Vandana Dhanki | Independent Director | Member |

During the year under review, 1(One) meeting of the Independent Directors of the Company were held on November 13, 2021.

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

| Sr. No. | Date of the Board Meeting | Ms. Vandana Dhanki (Member) | Mr. Sunil Shah |
|---------|---------------------------|--------------------------------|----------------|
| 1. | November 13, 2021. | Present | Present |

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, ("Act") in relation to the Annual Financial Statements of the Company for the year ended March 31, 2022, 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, 2022, 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, 2022, 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 2021-2022

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 2021-2022 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 auditors 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.

QUALIFICATIONS BY AUDITORS:

The Notes to the Financial Statements forming part of the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss for the year ended on that date, referred to in the Auditor's Report, are self-explanatory and we are also mentioning the explanation on Auditors remark as below

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.

REPLIES TO SECRETARIAL AUDITOR'S QUALIFICATIONS:

As regards to the Secretarial Auditors observations in Secretarial Auditor's Report, the Directors have to state that:

- a. Company has complied with Regulation 55 of the SEBI (Lising Obligations and Disclosure Requirements) Regulations, 2015 for 1000 Listed Secured Redeemable Non-Convertible Debenture (NCD's) bearing ISIN INE681H07110. Further, during the period under review the Company was in process of redemption of 57 Listed NCD's bearing ISIN INE681H07128, hence credit rating for the same was not obtained. After closure of the financial year Company has redeemed the same on May 20,2022.
- b. Due to inadvertence and through oversight the Company was complied with ROC and BSE compliances beyond the scheduled timeline. The Company has taken steps to ensure timely compliances in future.

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.

EXPLANATION FOR STATUTORY AUDITOR'S REMARK

| Sr. No. | STATUTORY AUDITOR'S REMARK | DIRECTOR'S EXPLANATION |
|---------|---|---|
| 1 | Non-provision for interest expense amounting to ₹ 2317.89 Lacs. | The notes to the Financial Statements forming part of the Balance Sheet as at March 31, 2022 and Statement of Profit and Loss for the year ended on that date, referred to in the Auditor's Report, are self explanatory and do not call for any further clarification/elaboration. |

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 2022-2023.

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 7 (Seven) 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 ₹ 39.90 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, 2022 is given in the table herein below:

| | | |
|----|--|-----|
| 1. | number of complaints filed during the financial year 2021-2022 | NIL |
| 2. | number of complaints disposed of during the financial year 2021-2022 | NIL |
| 3. | number of complaints pending as on end of the financial year 2021-2022 | 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 : August 12, 2022
Place : Mumbai

| | |
|----------------------------|-----------------------|
| Rushank Shah | Anil Ahluwalia |
| Whole Time Director | Director |
| DIN: 02960155 | 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 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 to devise a policy on Board diversity;
- (v) to recommend/review the remuneration of the Whole-Time Director(s) and the Managing Director based on their performance and defined assessment criteria;

- (vi) to recommend to the Board all remuneration, in whatever form, payable to senior management
- (vii) 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.
- (viii) to assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management.
- (ix) 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 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 or as frequently as committee may deem fit.

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 a 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, NON-EXECUTIVE AND 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/ Whole-Time 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 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) Provided that the independent director shall not, during the said period of three years be appointed in or be associated with the company in any capacity, either directly or indirectly;
- (v) 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.
- (vi) 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, NON-EXECUTIVE AND INDEPENDENT DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

Remuneration Policy for Executive, 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;
- (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 Non-Executive/Independent Director:

- (i) This Policy aims at attracting, retaining and motivating high caliber talent and ensures equity, fairness and consistency in rewarding the employees.
- (ii) The performance of the individual as well as that of the Company from 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.
- (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:

Company Secretary shall act as a 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 and a web link thereto shall also be given in the Annual Report.

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.

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, 2022

[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 | 100 |

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. | Nitant Real Estate Private Limited Hindoostan Mills Compound, Kashinath Dhuri Marg, Off Veer Savarkar Marg, Near Siddhi Vinayak Mandir, Mumbai – 400025 | U70102MH 2010PTC205729 | Holding Company | 61.27% | 2(46) |

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-2021] | | | | No. of Shares held at the end of the year [As on 31-March-2022] | | | | % 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) | FIIIs | 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 | 2705 | 28 | 2733 | 5.68 | 2705 | 22 | 2727 | 5.67 | -0.01 |
| | (ii) | Overseas | 22020 | 0 | 22020 | 45.75 | 22020 | 0 | 22020 | 45.75 | 0.00 |
| | (b) | Individuals: | | | | | | | | | |
| | (i) | Individual shareholders holding nominal share capital upto ₹. 1 lakh | 310 | 205 | 515 | 1.07 | 316 | 205 | 521 | 1.08 | 0.01 |
| | (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 | 0 | 0 | 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) | | 25035 | 237 | 25272 | 52.50 | 25041 | 231 | 25272 | 52.50 | 0.00 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2) | | 25035 | 241 | 25276 | 52.50 | 25041 | 235 | 25276 | 52.50 | 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) | | | 47894 | 241 | 48135 | 100 | 47900 | 235 | 48135 | 100 | 0.00 |

ii) Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year [As on 01-April-2021] | | | Shareholding at the end of the year [As on 31-March-2022] | | | % change in shareholding during the year |
|----|------------------------------------|---|----------------------------------|------------------------------------|---|----------------------------------|------------------------------------|--|
| | | No. of Shares | % of total Shares of the company | No. of Shares Pledged / encumbered | No. of Shares | % of total Shares of the company | No. of Shares Pledged / encumbered | |
| 1 | Nitant Real Estate Private Limited | 22859 | 47.49 | 14737 | 22859 | 47.49 | 14737 | 0 |

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

| 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 |
| 1 | Nitant Real Estate Private Limited | | | | |
| | At the beginning of the year (April 01, 2021) | 22859 | 47.49 | 22859 | 47.49 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 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, 2021) | 2704 | 5.62 | 2704 | 5.62 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 2704 | 5.62 |
| 2 | KIMWIL INVESTMENT HOLDINGS LIMITED | | | | |
| | At the beginning of the year (April 01, 2021) | 22020 | 45.75 | 22020 | 45.75 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 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, 2021) | 139 | 0.29 | 139 | 0.29 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 139 | 0.29 |
| 4 | HARESH T. KESWANI | | | | |
| | At the beginning of the year (April 01, 2021) | 68 | 0.14 | 68 | 0.14 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 68 | 0.14 |
| 5 | MEENA JANAK | | | | |
| | At the beginning of the year (April 01, 2021) | 28 | 0.04 | 28 | 0.04 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 28 | 0.04 |
| 6 | RICKY ISHWARDAS KIRPALANI | | | | |
| | At the beginning of the year (April 01, 2021) | 20 | 0.04 | 20 | 0.04 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 20 | 0.04 |
| 7 | HARIBEN MOTILAL KNAJI | | | | |
| | At the beginning of the year (April 01, 2021) | 11 | 0.02 | 11 | 0.02 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 11 | 0.02 |
| 8 | MEHTA DEEPIKA ASHWIN | | | | |
| | At the beginning of the year (April 01, 2021) | 09 | 0.02 | 09 | 0.02 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 09 | 0.02 |
| 9 | PRITI PRAKASH SHROFF | | | | |
| | At the beginning of the year (April 01, 2021) | 09 | 0.02 | 09 | 0.02 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 09 | 0.02 |
| 10 | JYOTI JITENDRA SOMAIYA | | | | |
| | At the beginning of the year (April 01, 2021) | 08 | 0.016 | 08 | 0.016 |
| | Purchase/Sale of shares | — | — | — | — |
| | At the end of the year (March 31, 2022) | — | — | 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 Director) | | | | |
| | At the beginning of the year (April 01, 2021) | — | — | — | — |
| | 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, 2022) | — | — | — | — |
| 2) | Mr. Rushank Shah (Director) | | | | |
| | At the beginning of the year (April 01, 2021) | 2 | 0.00 | 2 | 0.00 |
| | 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, 2022) | — | — | 2 | — |
| 3) | Mr. Anil Ahluwalia (Director) | | | | |
| | At the beginning of the year (April 01, 2021) | — | — | — | — |
| | 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, 2022) | — | — | — | — |
| 4) | Ms. Vandana Dhanki (Independent Director) | | | | |
| | At the beginning of the year (April 01, 2021) | — | — | — | — |
| | 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, 2022) | — | — | — | — |
| 5) | Mr. Praphul Shinde (Chief Executive Officer) | | | | |
| | At the beginning of the year (April 01, 2021) | — | — | — | — |
| | 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, 2022) | — | — | — | — |

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 | 14,664,828,132 | 337,341,779 | — | 15,002,169,911 |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | 700,207,455 | 716,949,589 | — | 1,417,157,044 |
| Total (i+ii+iii) | 15,365,035,587 | 1,054,291,368 | — | 16,419,326,955 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | | | | |
| i) Principal Amount | — | 93,150,000 | — | 93,150,000 |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | — | — | — | — |
| * Reduction | | | | |
| i) Principal Amount | 3,525,689,023 | — | — | 3,525,689,023 |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | — | 716,949,589 | — | 716,949,589 |
| Net Change | (3,525,689,023) | (623,799,589) | — | (4,149,488,612) |
| Indebtedness at the end of the financial year | | | - | |
| i) Principal Amount | 11,139,139,109 | 430,491,779 | - | 11,569,630,888 |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | 700,207,455 | — | — | 700,207,455 |
| Total (i+ii+iii) | 11,839,346,564 | 430,491,779 | - | 12,269,838,343 |

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

(₹ in Lacs)

| SN. | Particulars of Remuneration | 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 | Mr. Rushank Shah | Mr. Anil Ahluwalia | Ms. Vandana Dhanki | |
| 1 | Independent Directors | | | | | |
| | Fee for attending Board/ Committee meetings | 4,70,000 | - | - | 3,20,000 | 7,90,000 |
| | Commission | — | — | — | — | — |
| | Others, please specify | — | — | — | — | — |
| | Total (1) | 4,70,000 | — | — | 3,20,000 | 7,90,000 |
| 2 | Other Non-Executive Directors | | | | | |
| | Fee for attending Board/ Committee meetings | — | — | — | — | — |
| | Commission | — | — | — | — | — |
| | Others, please specify | — | — | — | — | — |
| | Total (2) | — | — | — | — | — |
| | Total (B)=(1+2) | 4,70,000 | — | — | 3,20,000 | 7,90,000 |
| | 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 | | | |
|---------|---|---------------------------|--------------------------|---------------------------|--------------------|
| | | CFO | Company Secretary | CEO | Total |
| | Name of the KMP | Alaknanda Purav | Ms. Jaya Verma | Mr. Praphul Shinde | |
| 1 | Gross salary | 16,41,785 Annual Gross | 7,63,016 Annual Gross | 86,33,262 Annual Gross | 1,10,38,063 |
| | (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 | 16,41,785 | 7,63,016 | 86,33,262 | 1,10,38,063 |

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 | — | — | — | — | — |

FORM NO. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022****[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 and corporate office at Akruti Trade Centre, Road No 7, 6th Floor, Marol MIDC, Andheri (East), Mumbai 400093. 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, 2022 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, 2022** 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;
 - d. The Securities and Exchange Board of India (Share Based Employees Benefit and Sweat Equity) Regulation, 2021; **(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, 2021; **(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 Securities) Regulations, 2021; **(There were no events requiring compliance during the audit period)**
 - j. The Securities and Exchange Board of India (Depositories 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 Trustees) Regulations, 1993.
- vi. The management has identified and confirmed the following laws as specifically applicable to the Company:
 - a. The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
 - b. The Payment of Bonus Act, 1965.
 - c. The Employee State Insurance Act, 1948.
 - d. The Income Tax Act, 1961.
 - e. The Indian Stamp Act, 1899.
 - f. The State Stamp Acts.
 - g. Legal Metrology Act, 2009.
 - h. Shops and Establishment Act, 1953 and the rules, notifications issued thereunder.
 - i. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder.
 - j. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder.
 - k. 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:

Emphasis of Matter:

We hereby draw your attention that the Company has not created debenture redemption reserve as required under section 71(4) of Companies Act, 2013 due to inadequacy of profits.

Other Observations:

- I. The Company has not complied with regulation 55 w.r.t. review/obtaining of credit rating for 57 Listed Secured Redeemable Non-Convertible Debenture bearing ISIN INE681H07128.*
- II. There were delays in submission of few intimations to the stock exchange and filing of forms with Registrar of Companies.*

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 undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- I. Extra Ordinary General Meeting held on 30.11.2021 was called off due to absence of quorum.
- II. The Company has made partial re-payment on principal amount of 1000 senior listed, secured, rated, redeemable non-convertible debentures.
- III. The Company has made full redemption of principal amount of 3250 senior unlisted, secured, non-convertible debentures.
- IV. Members approval for the following transaction:
 - a) *Re-appointment of Mr. Anil Harbanslal Ahluwalia (DIN No.: 00597508) as Director of the Company via passing of Ordinary Resolution at Annual General Meeting held on 25.08.2021;*
 - b) *Appointment of Ms. Vandana Paresh Dhanki (DIN No.: 09083495) as Independent Director of the Company via passing of Special Resolution at Annual General Meeting held on 25.08.2021.*

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

Mitesh Shah
Proprietor

FCS No.: 10070

C. P. No.: 12891

Peer Review Certificate No. 1730/2022

UDIN: F010070D000650347

Date: 19.07.2022

Place: Mumbai

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

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 process as were appropriate to obtain responsible assurance about the correctness of the contents of the 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 I followed 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. 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

Peer Review Certificate No. 1730/2022

UDIN: F010070D000650347

Date: 19.07.2022
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, 2022. | Nil | Nil |
| 2. | The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2021-2022. | Nil | Nil |
| 3. | Percentage increase in the median remuneration of employees in the Financial Year 2021-2022. | Nil | |
| 4. | The number of permanent employees on the rolls of the Company. | 38 | |
| 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 salary 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

Qualified 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, 2022, 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 2022, 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 Qualified 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 **Qualified opinion** on the financial statements.

Qualifications

- a) *Attention is invited to footnote (b) to Note 23 to the financial statement of the company with regards to the non-provision for interest expense amounting to ₹ 2317.89 lakhs on certain Inter Corporate deposits due to contractual obligations. Consequent to the above, the finance cost as well as the Loss for the year ended 31st March, 2022 was lower by ₹ 2317.89 lakhs.*
- b) *Attention is invited to foot note (b) to Note 23 to the financial statement of the company with regards the management not having provided for redemption premium total amounting to ₹ 4813 Lakhs on Non-convertible Debentures due to contractual obligations. Consequent to above, the finance cost as well as the Loss for the year ended 31st march, 2022 was lower by ₹ 4813 Lakhs. However, interest waiver letter has been received by the company in respect of the interest.*

Emphasis of Matters

We invite attention to;

- a) Note no.2 (II)(b)(ii) of the financial statements, regarding to recognition of expense for ongoing projects which is based upon estimated costs, as per the judgment of the management and have been relied upon by us, these being technical matters.
- b) Footnote no. 13(d)(iii) of the financial statement for the period ended 31st March, 2022 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.
- c) Note no.29 of the financial statements, regarding the reliance placed by the auditor on certification received from the management with regard to the disclosure of contingent liabilities of the company.
- d) Note no.30 of the financial statements, regarding balances that are subject to confirmations, reconciliation and adjustment, if any.
- e) The Company has incurred cash losses during the current financial year as well as the immediately preceding financial year. As per records and information, on which we have relied, the nature of business of the Company and its revenue recognition policy has resulted in the Company showing cash losses. This loss is expected to be temporary in nature and the Company is expected to recover all its losses on the fructification of its project.
- f) Note no. 23(b)- The Company has not accrued redemption premium of ₹ 48.13 lakhs on Listed NCDs of 57 Cr. as on 31st March, 2022 due to contractual obligation. However, interest waiver letter has been received by the company in respect of the interest.

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 of March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the 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 the requirements of Section 197 (16) of the Act:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1. The Company has disclosed the impact of pending litigations as at 31st March, 22 on its financial position in its financial statements refer (note no. 29);
 - 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.
 - 4. a) Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or behalf of the company (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties ('Ultimate Beneficiaries') or provide any guarantee ,security or the like on behalf of the Ultimate Beneficiaries, and
- c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

FOR FOR M. H. DALAL & ASSOCIATES

Firm Registration No.: 112449W

Chartered Accountants

DEVANG DALAL

Partner

Membership No.: 109049

UDIN: 22109049AJYOHP4286

Place : Mumbai

Date : 30th May, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in the Independent Auditor's Report to the members of the Company on the Financial Statement for the year ended 31 March, 2022

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;

(B) The Company does not have any intangible assets, hence clause 3(i)(a)(B) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company;
- b) According to the information and explanation provided to us, a major portion of property, plant and equipment have been physically verified by the management during the year and we are further informed that no material discrepancy has been noticed by the management on such verification. In our opinion, the frequency of physical verification of property, plant and equipment is reasonable having regard to the size of the company and nature of its activities;
- c) The company does not own any immovable property hence clause 3(i)(c) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company;
- d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) during the year;
- e) According to the information and explanations provided to us, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;
- ii a) In our opinion, the inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies exceeding 10% in the aggregate for each class of inventories were noticed on physical verification of inventories when compared with books of accounts;
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore in aggregate, at any point of time during the year, from banks or financial institutions based on the security of its current assets and hence reporting under clause 3(ii)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company;

- 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), 3(iii)(d), 3(iii)(e), 3(iii)(f) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company;
- iv In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or any security to the parties covered under sections 185 and 186. Therefore, the provisions of clause 3(iv) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company;
- v In our opinion and the information provided to us, the company has not accepted deposits within the meaning of Section 73 to 76 of the Act and the rules framed thereunder. Therefore, the provisions of clause (v) of the Companies (Auditor's Report) Order, 2020 does not apply to the Company;
- vi The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order does not apply to the Company;
- vii
 - a) According to the information and explanation given to us and the records examined by us, the Company is generally regular in depositing with the appropriate authorities, the undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value-added tax, as applicable. Further, no undisputed amounts payable in respect thereof were outstanding at year-end for a period of more than six months from the date they became payable;
 - b) According to the information and explanation given to us and the records of the company examined by us, there are no dues outstanding regarding income tax, GST, sales tax including value-added tax, employees state insurance, provident fund, duty of customs or wealth tax or service tax or value-added tax or cess on account of any dispute;
- viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year;
- ix
 - a) Based on the records of the Company examined by us and the information and explanation given to us, other than as stated below, the Company has not defaulted in repayment of loans or borrowings or the payment of interest thereon to any lenders. Attention is invited to Sub note "d(ii)" of note "13" to Accounts with regards to non-payment of interest to inter Corporate deposits on account of binding contractual compulsions. Attention is also invited to clause "a" of Qualification forming part of statutory auditors report on the non-provision of interest;
 - b) The Company has not been declared a wilful defaulter by any banks or financial institutions or other lenders;
 - c) In our opinion, the term loans were applied for the purpose for which the loans were obtained;
 - d) According to the information and explanation given to us and based on our examination of the records of the Company, funds raised on a short-term basis have, prima facie, not been used for long-term purposes by the Company;

- e) In our opinion and according to the information and explanation are given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- f) According to the information and explanation given to us, we report that the company has not raised working capital loans from banks/ financial institutions by pledging of shares and hence the said clause 3(ix)(f) of the Companies (Auditor's Report) Order, 2020 do not apply to the Company;
- x a) The Company has not raised moneys by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company;
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Companies (Auditor's Report) Order, 2020 do not apply to the Company;
- xi a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year;
- b) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year;
- c) According to the information and explanation provided to us, the Company has not received any whistleblower complaints during the year;
- xii The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2020 do not apply to the Company;
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties comply with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required under Ind AS 24 - Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2015;
- xiv a) Based on the information and explanation provided to us and our audit procedures, in our opinion the company has an internal audit system commensurate with the size and nature of its business;
- b) We have considered the internal audit reports of company issued till date for the period under audit;
- xv In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them, covered under Section 192 of the Act;

- xvi In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clauses (xvi) (a), (b), (c) and (d) of the Companies (Auditor's Report) Order, 2020 do not apply to the Company;
- xvii The Company has incurred cash losses during the financial year as well as the immediately preceding financial year. As per records and information, on which we have relied, the nature of business of the Company and its revenue recognition policy has resulted in the Company showing cash losses. This loss is expected to be temporary in nature and the Company is expected to recover all its losses on the fructification of its project;
- xviii There has been no resignation by the statutory auditors of the Company, during the year;
- xix On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- xx Provisions of Section 135 of the Companies Act do not apply to the Company and hence clause 3(xx)(a) & (b) of the Companies (Auditor's Report) Order, 2020 do not apply to the Company;
- xxi The Company does not prepare consolidated financials and hence clause 3(xxi) of the Companies (Auditor's Report) Order, 2020 do not apply to the Company.

FOR FOR M. H. DALAL & ASSOCIATES

Firm Registration No.: 112449W

Chartered Accountants

DEVANG DALAL

Partner

Membership No.: 109049

UDIN: 22109049AJYOHP4286

Place : Mumbai

Date : 30th May, 2022

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, 2022 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 the 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 were 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 the 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 unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR FOR M. H. DALAL & ASSOCIATES

Firm Registration No.: 112449W

Chartered Accountants

DEVANG DALAL

Partner

Membership No.: 109049

UDIN: 22109049AJYOH4286

Place : Mumbai

Date : 30th May, 2022

FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

| | | ₹ lakhs | |
|--|----------|------------------------|------------------------|
| Particulars | Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
| I ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Property, plant and equipment | 3 | 158 | 285 |
| (b) Capital work-in-progress | 3 | - | 28 |
| (c) Financial assets | | | |
| (i) Other financial assets | 4 | 55 | 50 |
| (d) Deferred tax assets (Net) | 6 | 2,813 | 2,076 |
| Total Non-Current Assets | | 3,026 | 2,440 |
| 2. Current Assets | | | |
| (a) Inventories | 8 | 278,846 | 226,681 |
| (b) Financial assets | | | |
| (i) Cash and cash equivalents | 9 | 5,783 | 17,009 |
| (ii) Bank balances other than (i) above | 10 | 18 | 17 |
| (iii) Other financial assets | 4 | 1,903 | 989 |
| (c) Other current assets | 7 | 1,462 | 1,853 |
| (d) Current tax assets (Net) | 5 | 883 | 207 |
| Total Current Assets | | 288,895 | 246,756 |
| TOTAL ASSETS | | 291,922 | 249,196 |
| II EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| (a) Equity share capital | 11 | 5 | 5 |
| (b) Other equity | 12 | 13,493 | 15,047 |
| Total Equity | | 13,497 | 15,052 |
| 2. Liabilities | | | |
| (i) Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 111,393 | 146,648 |
| (ii) Other Financial Liabilities | 15 | 662 | 64 |
| (b) Provisions | 16 | 62 | 23 |
| Total Non-Current Liabilities | | 112,116 | 146,736 |
| (ii) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 4,305 | 3,373 |
| (ii) Trade payables | 14 | | |
| Due to micro and small enterprises | | 22 | 102 |
| Due to others than micro and small enterprises | | 3,199 | 1,485 |
| (iii) Other financial liabilities | 15 | 14,277 | 21,759 |
| (b) Other current liabilities | 17 | 144,487 | 60,674 |
| (c) Provisions | 16 | 19 | 15 |
| Total Current Liabilities | | 166,308 | 87,409 |
| Total Liabilities | | 278,424 | 234,144 |
| TOTAL EQUITY AND LIABILITIES | | 291,922 | 249,196 |

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

JAYA VERMA
COMPANY SECRETARY

FOR AND ON BEHALF OF BOARD OF DIRECTORS

RUSHANK SHAH
DIRECTOR
DIN 02960155

ANIL AHLUWALIA
DIRECTOR
DIN 00597508

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

PRAPHUL SHINDE
CHIEF EXECUTIVE OFFICER

Mumbai
Date: 30th May, 2022

Mumbai
Date: 30th May, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

| ₹ lakhs | | | |
|---|----------|-----------------------------|-----------------------------|
| Particulars | Note No. | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
| I Income | | | |
| Revenue from Operations | 18 | 687 | 6,081 |
| Other Income | 19 | 191 | 29 |
| Total Income | | 878 | 6,111 |
| II Expenses | | | |
| Costs Of Construction / Development | 20 | 42,457 | 4,710 |
| Purchases of Stock-in-Trade | | 1,113 | 400 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 21 | (52,058) | (23,940) |
| Employee Benefits Expense | 22 | 848 | 351 |
| Finance Costs | 23 | 1,544 | 23,005 |
| Depreciation and Amortisation Expenses | 24 | 174 | 283 |
| Other Expenses | 25 | 8,933 | 3,081 |
| Total Expenses | | 3,012 | 7,890 |
| III Profit / (Loss) before Tax | | (2,134) | (1,779) |
| IV Tax Expense | | | |
| (1) Current Tax | | (142) | - |
| (2) Deferred tax (charge) / credit | | 737 | 1,197 |
| | | 595 | 1,197 |
| V Profit / (Loss) for the Year | | (1,538) | (582) |
| VI Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeseasurement of the net defined benefit plans | | (16) | 3 |
| VII Total comprehensive income for the year | | (1,554) | (578) |
| VIII Earning per equity share of nominal value of ₹ 10/- each | | | |
| Basic and Diluted | 26 | (3,196) | (1,208) |

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

JAYA VERMA
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FOR AND ON BEHALF OF BOARD OF DIRECTORS

RUSHANK SHAH
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DIRECTOR
DIN 00597508

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

PRAPHUL SHINDE
CHIEF EXECUTIVE OFFICER

Mumbai
Date: 30th May, 2022

Mumbai
Date: 30th May, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ lakhs)

| Particulars | 31st March, 2022 | 31st March, 2021 |
|--|------------------|------------------|
| I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES | | |
| Net profit/(loss) before taxation as per Statement of Profit and Loss | (2,134) | (1,779) |
| Add / (Less) : | | |
| Finance costs | 1,544 | 23,005 |
| Depreciation and amortisation | 174 | 283 |
| Interest income | (181) | (26) |
| Remeseasurement of the net defined benefit liability / asset | (16) | 3 |
| Loss on foreign currency fluctuation (Net) | 1.2 | - |
| Excess provision written back | (2) | (5,827) |
| Sundry Credit balance appropriated | (8) | (0.78) |
| | <u>1,512</u> | <u>17,437</u> |
| Operating profit before working capital changes | (621) | 15,658 |
| Add / (Less) : | | |
| (Increase) in inventories | (52,165) | (23,948) |
| (Increase) / Decrease in Other Current & Non current Asset | (0.86) | (1.06) |
| (Increase) / Decrease in Loans and advances | (525) | (953) |
| Increase / (Decrease) in trade and other payables | 85,971 | 10,718 |
| Direct taxes paid | (818) | 238 |
| | <u>32,463</u> | <u>(13,946)</u> |
| Net cash flow from operating activities | 31,842 | 1,712 |
| II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES | | |
| Inflow / (Outflow) on account of : | | |
| Interest income received | 178 | 23 |
| Purchase of fixed assets | (20) | (1.5) |
| Net cash flow from investing activities | 158 | 22 |
| III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES | | |
| Inflow / (Outflow) on account of : | | |
| Proceeds from Long Term Borrowing | (35,256) | 47,456 |
| Proceeds from Short Term Borrowing | 931 | (3,204) |
| Repayment of Security Deposit | (188) | - |
| Finance costs paid | (8,713) | (29,862) |
| Net cash flow from financing activities | (43,226) | 14,389 |
| Net increase/(decrease) in cash and cash equivalents (I + II + III) | (11,226) | 16,123 |
| Add: Balance at the beginning of the year | 17,009 | 886 |
| Cash and cash equivalents at the end of the year | 5,783 | 17,009 |
| Components of cash and cash equivalents (Refer Note 9) | | |
| Cash on hand | 0.1 | 0.2 |
| Balances with banks | | |
| - in Current accounts | 5,683 | 16,909 |
| - in Deposits with maturity of less than three months | 100 | 100 |
| | <u>5,783</u> | <u>17,009</u> |

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

JAYA VERMA
COMPANY SECRETARY

FOR AND ON BEHALF OF BOARD OF DIRECTORS

RUSHANK SHAH
DIRECTOR
DIN 02960155

ANIL AHLUWALIA
DIRECTOR
DIN 00597508

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

PRAPHUL SHINDE
CHIEF EXECUTIVE OFFICER

Mumbai
Date: 30th May, 2022

Mumbai
Date: 30th May, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ lakhs)

| | Notes | Amount |
|---------------------------------|-------|--------|
| A. EQUITY SHARE CAPITAL | | |
| As at 01st April, 2020 | 11 | 5 |
| Changes in equity share capital | | — |
| As at 31st March, 2021 | | 5 |
| Changes in equity share capital | | — |
| As at 31st March, 2022 | | 5 |

B. OTHER EQUITY (Refer Note 12)

| | Reserves and Surplus | | | | Total ₹ |
|---|----------------------------------|------------------------------------|-----------------|----------------------|------------|
| | Securities Premium reserve | Debenture Redemption Reserve | General reserve | Retained Earnings | |
| Balance at 1st April, 2020 | 18,663 | — | — | (3,037) | 15,625 |
| Profit / (Loss) for the year | — | — | — | (582) | (582) |
| Remeasurement of net defined benefit recognised in other comprehensive income | — | — | — | 3 | 3 |
| Balance at 31st March, 2021 | 18,663 | — | — | (3,616) | 15,047 |
| Balance at 1st April, 2021 | 18,663 | — | — | (3,616) | 15,047 |
| Profit / (Loss) for the year | — | — | — | (1,538) | (1,538) |
| Remeasurement of net defined benefit recognised in other comprehensive income | — | — | — | (16) | (16) |
| Balance at 31st March, 2022 | 18,663 | — | — | (5,170) | 13,493 |

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

JAYA VERMA
COMPANY SECRETARY

FOR AND ON BEHALF OF BOARD OF DIRECTORS

RUSHANK SHAH
DIRECTOR
DIN 02960155

ANIL AHLUWALIA
DIRECTOR
DIN 00597508

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

PRAPHUL SHINDE
CHIEF EXECUTIVE OFFICER

Mumbai
Date: 30th May, 2022

Mumbai
Date: 30th May, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 30th May, 2022

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

III REVENUE RECOGNITION

Revenue Recognition Revenue is recognised upon transfer of control of promised goods or services to customers in 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.
- 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 / AMMORTISATION

- 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

- 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.

The residual values, useful lives and methods of depreciation of property plant 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 expire, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

- 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.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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.

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. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

Borrowing are initially recognised at Net off transaction cost incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over ther 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 Profit and Loss Account.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**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 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, 2022

NOTE 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ lakhs)

| | 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, 2020 | 456 | 269 | 12 | 125 | 118 | 460 | 1,441 | 28 |
| Additions | | | 1.0 | 0.4 | 0.1 | | 1.5 | |
| Disposals/Discarment | — | | — | — | — | — | — | — |
| Transferred to addition | — | | — | — | — | — | — | — |
| | 456 | 269 | 13 | 126 | 118 | 460 | 1,443 | 28 |
| Accumulated depreciation and impairment | | | | | | | | |
| Balance at 31st March, 2020 | 385 | 165 | 11 | 31 | 39 | 245 | 875 | |
| Eliminated on disposal/discardment of assets | — | — | — | — | — | — | — | — |
| Depreciation expense | 35 | 90 | 1.3 | 13 | 22 | 123 | 283 | — |
| Balance at 31st March, 2021 | 420 | 254 | 12 | 43 | 60 | 368 | 1,158 | — |
| Carrying amount as at 31st March, 2021 | 36 | 15 | 1.4 | 82 | 58 | 92 | 285 | 28 |
| | | | | | | | | |
| | 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, 2021 | 456 | 269 | 13 | 126 | 118 | 460 | 1,443 | 28 |
| Additions | 29 | — | 10 | 7 | 2 | — | 48 | |
| Disposals/Discarment | — | — | — | — | — | — | — | — |
| Transferred to addition | — | — | — | — | — | — | — | — |
| | 485 | 269 | 24 | 132 | 120 | 460 | 1,490 | 28 |
| Accumulated depreciation and impairment | | | | | | | | |
| Balance at 31st March, 2021 | 420 | 254 | 12 | 43 | 60 | 368 | 1,158 | |
| Eliminated on disposal/discardment of assets | — | — | — | — | — | — | — | — |
| Depreciation expense | 46 | — | 3 | 13 | 21 | 92 | 174 | 28 |
| Balance at 31st March, 2022 | 466 | 254 | 14 | 56 | 82 | 460 | 1,332 | 28 |
| Carrying amount as at 31st March, 2022 | 20 | 15 | 9 | 76 | 39 | 0 | 158 | — |

Footnote:

Fixed Assets under project office being fully amortized

(₹ lakhs)

Ageing for CWIP outstanding as at March 31, 2021 is as follows:

| CWIP ageing schedule | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | — | — | — | 28 | 28 |

Ageing for CWIP outstanding as at March 31, 2022 is as follows:

(₹ lakhs)

| CWIP ageing schedule | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | — | — | — | — | — |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
|--|---------------------------|---------------------------|

NOTE 4. OTHER FINANCIAL ASSETS**Non-current****Bank Balances**

Deposits with maturity more than twelve months

| | | |
|---|----|----|
| — Margin money deposits. (Refer Footnote) | 51 | 50 |
|---|----|----|

| | | |
|-------------------|---|-----|
| Security deposits | 4 | 0.4 |
|-------------------|---|-----|

| | | |
|--------------|-----------|-----------|
| Total | 55 | 50 |
|--------------|-----------|-----------|

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 | 1,892 | 979 |
|--------|-------|-----|

| | | |
|--|----|---|
| Interest accrued and due on fixed deposits | 12 | 9 |
|--|----|---|

| | | |
|--------------|--------------|------------|
| Total | 1,903 | 989 |
|--------------|--------------|------------|

NOTE 5. CURRENT TAX ASSETS (NET)

| | | |
|-------------------------|-------|-----|
| Advance Income Tax paid | 1,025 | 207 |
|-------------------------|-------|-----|

| | | |
|-------------------------|-------|---|
| Less: Provision for Tax | (142) | — |
|-------------------------|-------|---|

| | | |
|--------------|------------|------------|
| Total | 883 | 207 |
|--------------|------------|------------|

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 | (737) | 879 |
|--|-------|-----|

| | | |
|---|---|---|
| (Decrease) / increase in deferred tax liabilities | — | — |
|---|---|---|

| | | |
|---------------------------------------|--------------|------------|
| Deferred tax charge / (credit) | (737) | 879 |
|---------------------------------------|--------------|------------|

| | | |
|---------------------------|--------------|------------|
| Income tax expense | (737) | 879 |
|---------------------------|--------------|------------|

(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, 2022

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
|--|---------------------------|---------------------------|

NOTE 6. DEFERRED TAX ASSETS (NET)

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

| | | |
|------------------------|--------------|--------------|
| Deferred Tax Asset | 2,813 | 2,076 |
| Deferred Tax Liability | — | — |
| Total | 2,813 | 2,076 |

| | Opening Balance | Credit/(Charge) in Statement of Profit and Loss | Closing Balance |
|--|-----------------|---|-----------------|
| 2021-2022 | | | |
| Deferred tax assets / (liabilities) in relation to: | | | |
| On account of Others | 10,650 | (10,631) | 20 |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis. | 22,900 | 14,744 | 37,645 |
| On account of Inventory | (31,636) | (3,389) | (35,026) |
| Property, plant and equipment | 162 | 13 | 175 |
| Total | 2,076 | 737 | 2,813 |

2020-2021

Deferred tax assets / (liabilities) in relation to:

| | | | |
|--|------------|--------------|--------------|
| On account of Tax losses | 3,768 | 6,882 | 10,650 |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis. | 12,640 | 10,260 | 22,900 |
| On account of Inventory | (15,655) | (15,981) | (31,636) |
| Property, plant and equipment | 125 | 37 | 162 |
| Total | 879 | 1,197 | 2,076 |

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 management believes is probable, accordingly the company has recognised deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|-----------------------------|---------------------------|---------------------------|
| NOTE 7. OTHER ASSETS | | |
| Current | | |
| Advance to Suppliers | 769.19 | 1,842 |
| GST input credit receivable | 678.30 | 5 |
| Other Advances | | |
| — Prepaid Expense | 14 | 6 |
| Total | 1,462 | 1,853 |

NOTE 8. INVENTORIES

Inventories (lower of cost or net realisable value)

| | | |
|---|-----------------|-----------------|
| — Stock of material at site | 159 | 53 |
| — Stock in Trade (Acquired for Trading) | 414 | 308 |
| — Incomplete projects (Refer Footnote) | 2,78,273 | 2,26,320 |
| Total | 2,78,846 | 2,26,681 |

Footnote:

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

NOTE 9. CASH AND CASH EQUIVALENTS

Balances with banks:

| | | |
|--|--------------|---------------|
| — in current accounts | 5,683 | 16,909 |
| — in deposit with maturity of less than three months | 100 | 100 |
| Cash on hand | 0.1 | 0.2 |
| Total | 5,783 | 17,009 |

NOTE 10. OTHER BANK BALANCES

Margin money deposits with maturity of more than three months but less than twelve months (Refer Footnote)

| | | |
|--------------|-----------|-----------|
| | 18 | 17 |
| Total | 18 | 17 |

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, 2022

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
|--|---------------------------|---------------------------|

NOTE 11. EQUITY SHARE CAPITAL

| | | |
|----------------------|----------|----------|
| Equity share capital | 5 | 5 |
| Total | 5 | 5 |

Authorised Share Capital:

| | | |
|--|-----------|-----------|
| 95,000 (PY: 95,000) Ordinary Equity Shares of ₹ 10/- each | 9.50 | 9.50 |
| 50,000 (PY: 50,000) Class A Equity Shares of ₹ 10/- each | 5 | 5 |
| 5,000 (PY: 5,000) Class B Equity Shares of ₹ 10/- each | 0.50 | 0.5 |
| 50,000 (PY : 50,000), 10% Non Cumulative Redeemable Preference Shares of ₹ 10 each [Refer Note 13(iv)] | 5 | 5 |
| Total | 20 | 20 |

Issued and subscribed capital comprises:

Ordinary Equity Shares

| | | |
|---|------|------|
| 37,306 (PY: 37,306) Equity Shares of ₹ 10/- each fully paid up | 3.73 | 3.73 |
| | 3.73 | 3.73 |

Class A Equity Shares

| | | |
|---|------|------|
| 10,200 (PY: 10,200) Equity Shares of ₹ 10/- each full paid up | 1.02 | 1.02 |
| | 1.02 | 1.02 |

Class B Equity Shares

| | | |
|---|-------------|-------------|
| 629 (PY: 629) Equity Shares of ₹ 10/- each full paid up | 0.06 | 0.06 |
| | 0.06 | 0.06 |
| Total | 4.81 | 4.81 |

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 31st March, 2020 | 37,306 | 373,060 |
| Add / (Less) : Issued / (Bought back) during the year | — | — |
| Balance at 31st March, 2021 | 37,306 | 373,060 |
| Add / (Less) : Issued / (Bought back) during the year | — | — |
| Balance at 31st March, 2022 | 37,306 | 373,060 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

| | Number of shares | Share Capital ₹ |
|---|------------------|--------------------|
| Class A Equity Shares | | |
| Balance at 31st March, 2020 | 10,200 | 102,000 |
| Add / (Less) : Issued / (Bought back) during the year | — | — |
| Balance at 31st March, 2021 | 10,200 | 102,000 |
| Add / (Less) : Issued / (Bought back) during the year | — | — |
| Balance at 31st March, 2022 | 10,200 | 102,000 |
| Class B Equity Shares | | |
| Balance at 31st March, 2020 | 629 | 6,290 |
| Add / (Less) : Issued / (Bought back) during the year | — | — |
| Balance at 31st March, 2021 | 629 | 6,290 |
| Add / (Less) : Issued / (Bought back) during the year | — | — |
| Balance at 31st March, 2022 | 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, 2022 | | | As at 31st Mar, 2021 | |
|------------------------------------|----------------------|-----------------------------------|--------------------------------|----------------------|-----------------------------------|
| | No of shares held | % holding of this class of shares | % changes made during the year | No of shares held | % holding of this class of shares |
| Ordinary Equity Shares | | | | | |
| Nitant Real Estate Private Limited | 22,859 | 61.27% | 0% | 22,859 | 61.27% |
| Distinctive Realty Private Limited | 2,704 | 7.25% | 0% | 2,704 | 7.25% |
| Kimwil Investment Holdings Limited | 11,191 | 30.00% | 0% | 11,191 | 30.00% |
| Class 'A' Equity Shares | | | | | |
| Kimwil Investment Holdings Limited | 10,200 | 100% | 0% | 10,200 | 100% |
| Class 'B' Equity Shares | | | | | |
| Kimwil Investment Holdings Limited | 629 | 100% | 0% | 629 | 100% |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---------------------------|---------------------------|
| NOTE 12. OTHER EQUITY | | |
| Securities premium reserve | | |
| Balance at the beginning of the year | 18,663 | 18,663 |
| Add / (Less) : | | |
| Premium on account of shares allotted during the year | — | — |
| Balance at the end of the year | 18,663 | 18,663 |
| Retained Earnings | | |
| Balance at the beginning of the year | (3,616) | (3,037) |
| Profit attributable to the owners of the Company | (1,538) | (582) |
| Other comprehensive income for the year | 16 | 3 |
| Balance at the end of the year | (5,170) | (3,616) |
| Total | 13,493 | 15,047 |

NOTE 13. BORROWINGS

Non-current

| | | |
|--|-----------------|-----------------|
| (i) Debentures — Secured | | |
| 1000 (PY : Nil) 8% Listed, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹ 8.29 lakhs each (Refer footnote a) | 10 | 8,298 |
| 3250 (PY : Nil) 8% Unlisted, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹ 8.29 lakhs each (Refer footnote b) | — | 26,969 |
| 9740 (PY : Nil) Unlisted, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹ 10 lakhs each (Refer footnote c) | 97,400 | 97,400 |
| 57 (PY : 57) 15% Listed, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹ 73.68 lakhs each (Refer footnote d) | 4,200 | 4,200 |
| (ii) Premium on redemption of debentures | 9,782 | 9,781 |
| Total | 1,11,393 | 1,46,648 |

Footnotes:

a. Senior (Listed) Non Convertible Debentures :

- Senior Debentures A series are Listed carry coupon at the rate of 8%, the debentures are to be redeemed at 20% IRR post tax as on redemption date less coupon payments monthly.
- The debentures are secured against first charge on the 25 South Project.
- The Company has B+ rating for the Debentures.
- Debentures will start redeemed on quarterly instalment from Septemeber 2022. However Company has made early redemption of entire Principal NCDs (except ₹ 10 lakhs of residual debentures as per DTD) along with redepmtn premium in July 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**b. Senior (Unlisted) Non Convertible Debentures :**

- i. Senior Debentures B series are Unlisted carry coupon at the rate of 8%, the debentures are to be redeemed at 20% IRR post tax as on redemption date less coupon payments monthly.
- ii. The debentures are secured against first charge on the 25 South Project.
- iii. Debentures will start redeemed on quarterly instalment from Septemeber 2022. However Company has made early redemption of entire Principal NCDs along with redepmtn premium in July 2021.

c. Junior (Unlisted) Non Convertible Debentures :

- i. Junior Debentures are Unlisted are to be redeemed at 16.30% IRR on redemption date in three instalments starting from December 2025.
- ii. The debentures are secured against Second charge (pari pasu) on the 25 South Project.

d. Listed Non Convertible Debtures :

- i. As per the Senior DTD Terms, 57 Listed Non Convertible Debentures are to be redeemed post repayment of Senior and Junior Debentures.
- 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. However due to the contractual obligation the Company has not accrued interest and redemption premium for the current financial year.
- iii. The Company is in process of renewal of rating for the Debentures.

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
|--|---------------------------|---------------------------|

e. Preference Share Capital**Nitant Real Estate Private Limited**

| | | |
|-----------------------------------|-------|-------|
| No of shares held | 1,865 | 1,865 |
| % holding of this class of shares | 100 | 100 |

f. Preference Shares

| | Number of shares | Number of shares |
|------------------------------------|------------------|------------------|
| Balance at 1st April, 2020 | 1,865 | 1,865 |
| Add : Issued during the year | - | - |
| Less : Bought back during the year | - | - |
| Balance at 31st March, 2021 | 1,865 | 1,865 |
| Add : Issued during the year | - | - |
| Less : Bought back during the year | - | - |
| Balance at 31st March, 2022 | 1,865 | 1,865 |

Footnote:

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.

Unsecured**(i) Loans repayable on demand:**

| | | |
|----------------------|--------------|--------------|
| — From Related Party | 3,724 | 2,793 |
| — From Companies | 581 | 581 |
| Total | 4,305 | 3,373 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 14. TRADE PAYABLES

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|--|-----------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade payable | | | | | |
| Due to micro and small enterprises (Refer Footnote) | 18 | — | 4 | — | 22 |
| Due to others than micro and small enterprises | 2,582 | 492 | 30 | 95 | 3,199 |
| Total | | | | | 3,221 |

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|--|-----------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade payable | | | | | |
| Due to micro and small enterprises (Refer Footnote) | 93 | 9 | — | — | 102 |
| Due to others than micro and small enterprises | 658 | 749 | 21 | 57 | 1,485 |
| Total | | | | | 1,587 |

Footnote:

- 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 ₹ 22 lakhs (P.Y-₹ 75 lakhs) 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 is under reconciliation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
|--|---------------------------|---------------------------|

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

| | | |
|--|------------|-----------|
| Retention money payable (Refer footnote) | 662 | 64 |
| Total | 662 | 64 |

Footnote:

Retention Money liability to contractors which are due for payment as at 31st March, 2022 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, 2022.

Current

| | | |
|--|---------------|---------------|
| Interest accrued but not due on borrowings | 7,002 | 14,172 |
| Overdraft Bank balance | — | — |
| Retention money payable | 104 | 190 |
| Security deposits (Refundable) | 6,812 | 7,000 |
| Other payables | 359 | 397 |
| Total | 14,277 | 21,759 |

NOTE 16. PROVISIONS**Non-current**

| | | |
|-----------------------------|-----------|-----------|
| Employee Benefits | | |
| Provision for Gratuity | 37 | 13 |
| Provision for leave benefit | 24 | 9 |
| Total | 62 | 23 |

Current

| | | |
|-----------------------------|-----------|-----------|
| Employee Benefits | | |
| Provision for Gratuity | 2 | 9 |
| Provision for leave benefit | 16 | 6 |
| Total | 19 | 15 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
|--|---------------------------|---------------------------|

NOTE 17. OTHER CURRENT LIABILITIES

Current

| | | |
|------------------------------|-----------------|---------------|
| Advance from customers | 1,44,353 | 59,957 |
| Other payables : | | |
| — Statutory dues | 134.41 | 662 |
| — Employees benefit payables | 0.51 | 56 |
| Total | 1,44,487 | 60,674 |

NOTE 18. REVENUE FROM OPERATIONS

| | | |
|---|------------|--------------|
| Revenue from Sale of trading materials | 666 | 244 |
| Other operating revenue : | | |
| Excess Provision written back (Refer foot Note) | 2 | 5,827 |
| Sundry Credit balance appropriated | 8 | 0.78 |
| Royalty Income | 11 | 9 |
| Total | 687 | 6,081 |

Footnote : The Company has availed instalments facility from Statutory authorities towards the payment of approval cost (FSI premiums). The Company has provided total amount payable on receipt of full CC. In March 2021 Government has declared scheme of 50% waiver on the FSI premiums, company has availed the scheme and paid the full amount towards approval cost hence the balance amount not payable has been written back.

NOTE 19. OTHER INCOME

Interest Income:

| | | |
|--|------------|-----------|
| Bank fixed deposits | 180 | 8 |
| Others | 0.73 | 18 |
| Total | 181 | 26 |
| Gain on foreign currency fluctuation (Net) | — | 0.92 |
| Miscellaneous income | 11 | 2 |
| Total | 11 | 3 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
|--|---------------------------|---------------------------|

NOTE 20. COSTS OF CONSTRUCTION / DEVELOPMENT

Construction costs incurred during the year:

| | | |
|------------------------------------|---------------|--------------|
| Land / rights acquired | 14,797 | — |
| Material and labour costs | 17,114 | 3,377 |
| Approval and consultation expenses | 10,544 | 1,333 |
| Other direct development expenses | 3 | 0.50 |
| Total | 42,457 | 4,710 |

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

Opening Inventory :

| | | |
|----------------------------------|-----------------|-----------------|
| Incomplete projects | 2,26,320 | 2,02,462 |
| Stok in Trade (Trading Material) | 307.82 | 192 |
| | 2,26,628 | 2,02,655 |

Closing Inventory :

| | | |
|----------------------------------|-----------------|-----------------|
| Incomplete projects | 2,78,273 | 2,26,320 |
| Stok in Trade (Trading Material) | 414 | 274 |
| | 2,78,687 | 2,26,595 |
| Total | (52,058) | (23,940) |

NOTE 22. EMPLOYEE BENEFITS EXPENSE

| | | |
|---|------------|------------|
| Salaries, bonus, etc. | 810 | 335 |
| Contribution to provident and other funds | 28 | 14 |
| Staff welfare expenses | 9 | 1.16 |
| Other fund expenses | 1.17 | 0.53 |
| Total | 848 | 351 |

NOTE 23. FINANCE COSTS

Interest costs:

| | | |
|--|--------------|---------------|
| Interest on Debentures (Refer foot note b) | 681 | 970 |
| Premium on Redemption of debentures | 843 | 1,267 |
| Interest on Fixed loans | — | 19,048 |
| Other interest expense | 20 | 1,720 |
| Total | 1,544 | 23,005 |

Footnotes:

- In the line with IND AS-23 'Borrowing Costs,' the borrowing cost of ₹ 1,544 Lakhs (P.Y. ₹ 23,005 lakhs) have been capitalised to Inventory.
- The Company has not accrued interest on its unsecured loans and security deposit of ₹ 2,317.89 lakhs (P.Y. ₹ 1,909 .33 lakhs) and accrued interest of ₹ 2,449.02 lakhs (P.Y. ₹ 2,316.42.17 lakhs and attention is invited to foot note (b) to Note 23 to the financial statement of the company with regards the management not having provided for redemption premium total amounting to ₹ 4,813.80 Lakhs on Non-convertible Debentures due to contractual obligations. Consequent to above, the finance cost as well as the Loss for the year ended 31st march, 2022 was lower by ₹ 4,813.80 Lakhs

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
|--|---------------------------|---------------------------|

NOTE 24. DEPRECIATION AND AMORTISATION EXPENSES

| | | |
|---|------------|------------|
| Depreciation of property, plant and equipment | 82 | 160 |
| Amortisation of Project office | 92 | 123 |
| Total | 174 | 283 |

NOTE 25. OTHER EXPENSES

| | | |
|---|--------------|--------------|
| Insurance | 54 | 30 |
| Rent | 16 | 16 |
| Rates and taxes | 468 | 468 |
| Advertisement expenses | 412 | 40 |
| Advances and other debit balances written off | — | — |
| Brokerage | 1,227 | 1,260 |
| Directors' fees and travelling expenses | 8 | 9 |
| Travelling and conveyance | 7 | 4 |
| Repairs and society maintenance charges | 45 | 11 |
| Legal and professional fees | 463 | 216 |
| Loss on foreign currency fluctuation (Net) | 1.20 | — |
| Other expenses | 6,231 | 1,028 |
| Total | 8,933 | 3,081 |

Auditors Remuneration (included in other expenses)

| | | |
|--------------------------|----------|----------|
| Audit fees | 3 | 3 |
| Other certification fees | 0.40 | 0.40 |
| Limited review fees | 0.50 | 0.50 |
| Service tax/GST on above | 0.61 | 0.61 |
| Total | 4 | 4 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakh

| | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--|--------------------------------|--------------------------------|
|--|--------------------------------|--------------------------------|

NOTE 26. EARNINGS PER SHARE (EPS)**Earning Per Share has been computed as under:**

| | | |
|--|---------|---------|
| Profit /(Loss) for the year | (1,538) | (582) |
| Weighted average number of equity shares outstanding | 0.48 | 0.48 |
| Earnings Per Share (₹) — Basic (Face value of ₹10 per share) | (3,196) | (1,208) |

Diluted earning per share is same as basic earning per share.

NOTE 27. POST RETIREMENT BENEFIT PLANS**The Principal assumptions used for the purpose of the actuarial valuations were as follows:****Gratuity:**

| | | |
|------------------------------------|-------|-------|
| Discount Rate | 6.85% | 6.79% |
| Expected rate of salary increase | 6% | 6% |
| Expected average remaining service | 15.78 | 15.89 |

Service cost

| | | |
|---|------|------|
| Current service cost | 9 | 7 |
| Past service cost and (gain)/loss from settlement | — | (9) |
| Net interest expense | 0.92 | 0.94 |

Component of define benefit cost recognised in profit or loss

| | | |
|---|----|-----|
| Actuarial (gains) / losses for the period | 16 | (3) |
|---|----|-----|

Component of defined benefit cost recognised in other comprehensive income

| | | |
|--------------|-----------|------------|
| Total | 26 | (5) |
|--------------|-----------|------------|

| | | |
|--|----|----|
| Present value of funded defined benefit obligation | 40 | 14 |
|--|----|----|

| | | |
|---------------------------|---|---|
| Fair value of plan assets | — | — |
|---------------------------|---|---|

| | | |
|----------------------|-------------|-------------|
| Funded status | (40) | (14) |
|----------------------|-------------|-------------|

Movement in PV of defined benefit obligation

| | | |
|---|------|------|
| Opening define benefit obligation | 23 | 18 |
| Current service cost | 9 | 7 |
| Interest cost | 0.92 | 0.94 |
| Actuarial (gains) / losses for the period | 16 | (3) |

| | | |
|--|-----------|-----------|
| Closing define benefit obligation | 49 | 23 |
|--|-----------|-----------|

Movements in fair value of plan assets

| | | |
|-----------------------------------|---|---|
| Opening fair value of plan assets | — | — |
|-----------------------------------|---|---|

| | | |
|--|----------|----------|
| Closing fair value of plan assets | — | — |
|--|----------|----------|

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakh

| | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|-------------------------------------|--------------------------------|--------------------------------|
| Asset Information: | Total Amount | Total Amount |
| Gratuity Fund | - | - |
| Expected Payout: | PVO Payout | |
| Expected Outgo First Year | 2 | |
| Expected Outgo Second Year | 0.85 | |
| Expected Outgo Third Year | 0.94 | |
| Expected Outgo Fourth Year | 0.99 | |
| Expected Outgo Fifth Year | 5 | |
| Expected Outgo Sixth to Tenth Years | 10 | |

Sensitivity Analysis:

As of 31st March, 2022, every percentage point increase in discount rate will affect our gratuity benefit obligation ₹ 35 lakhs

As of 31st March, 2022, every percentage point decrease in discount rate will affect our gratuity benefit obligation ₹ 45 lakhs

As of 31st March, 2022, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation ₹ 43 lakhs

As of 31st March, 2022, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation ₹ 36 lakhs

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, 2022 is ₹ 9 lakhs

Narrations:

1 Analysis of Defined Benefit Obligation

The number of members under the scheme have increased by 77.78%. Similarly the total salary has increased by 119.45% during the accounting period. The resultant liability at the end of the period over the beginning of the period has decreased by 119.37%

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 Increased from 6.79% to 6.85% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**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 (Till September 29, 2020)
- 2 Nitant Real Estate Private Limited (From September 29, 2020)

B. Other Companies

- 1 Powersoft IT Pvt Ltd
- 2 Buildbyte.Com (INDIA) Private Limited
- 3 Glamorous Properties Private Limited

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

C. Directors

- 1 Rushank Shah
- 2 Anil Ahluwalia
- 3 Sunil Shah
- 4 Vandana Dhanki

II) Related party transactions and balance as at year end:

| ₹ lakh | | | |
|---|---|---|-----------------|
| Particular | Entities with joint control over the reporting entity | Subsidiaries of entities with joint control over the reporting entity | Other companies |
| A. Transactions / Related parties | | | |
| i. Loans and Advances received \ recovered \ adjusted | | | |
| Hubtown Limited | — | — | — |
| | (832) | (—) | (—) |
| Nitant Real Estate Private Limited | 932 | — | — |
| | (6,093) | (—) | (—) |
| ii. Loans and Advances given \ repaid \ recovered \ adjusted | | | |
| Hubtown Limited | — | — | — |
| | (5,399) | (—) | (—) |
| Nitant Real Estate Private Limited | — | — | — |
| | (3,300) | (—) | (—) |
| iii. Consultancy and server rental charges | | | |
| Powersoft IT Pvt Ltd | — | — | 157 |
| | (—) | (—) | (70) |
| Buildbyte.com (INDIA) Private Limited | — | — | 74 |
| | (—) | (—) | (—) |
| iv. Interest expense | | | |
| Hubtown Ltd | — | — | — |
| | (797) | (—) | (—) |
| v. Office Expenses | | | |
| Glamorous Properties Private Limited | — | — | 2 |
| | (—) | (—) | (—) |
| vi. Paid against Credit balances | | | |
| Powersoft IT Pvt Ltd | — | — | 157 |
| | — | — | (—) |

Note: Figures in brackets are of the previous year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ lakh

| | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---------------------------|---------------------------|
| B. Balance outstanding payables / receivables: | | |
| a. Receivable | | |
| Other companies | | |
| Distinctive Realty Private Limited | — | — |
| a. Balance Payable | | |
| Holding company | | |
| Nitant Real Estate Private Limited | 7,024 | 2,793 |
| Other Companies | | |
| Buildbyte.com (INDIA) Private Limited | 8 | — |
| * Including balances related to transactions entered into when these were not related | | |

NOTE 29. CONTINGENT LIABILITY

| | | | |
|---|--|-------|-------|
| 1 | Workmen's liability of earstwhile, Hindoostan Spinning and Weaving Mills Limited (Refer Foot note 1) | 21 | 21 |
| 2 | Chief Controlling Revenue Authority (Refer Foot note 2) | 4,931 | 4,931 |
| 3 | Interest — RERA Complaint Nos —198331/2021 | 1,078 | |
| | Interest — RERA Complaint Nos —198332/2021 | 2,240 | |
| | Interest — RERA Complaint Nos -198333/2021 | 1,213 | |
| 3 | Bank Guarantee : (0544NDDG00053222 Dtd. 03.06.2021) | 50.00 | |

Foot note :

- The Hindoostan Spinning and Weaving Mills Limited (HSWML), a body corporate had in the year 2002 had 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 1.4.2004 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 appellat 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. 5.17 lakhs
- 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 26.12.2017. 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 ₹ 4,931 lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 company's long term debt obligations with floating interest rates.

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 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 to 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..

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 32. DISCLOSURE OF DERIVATIVES

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

| | | ₹ lakh | |
|----------------|-----|---------------------------|---------------------------|
| | | As at 31st March, 2022 | As at 31st March, 2021 |
| Trade payables | USD | 43,875 | 43,875 |
| | INR | 33 | 32 |

NOTE 33. CAPITAL MANAGEMENT

The primary objective of 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.

Gearing Ratio

The gearing ratio at the reporting period was as follows:

| | | |
|--|-----------------|-----------------|
| Borrowings including current Maturities | 1,15,698 | 1,50,022 |
| Interest accrued and due/and but not due | 7,002 | 14,172 |
| Total Debt | 1,22,700 | 1,64,193 |
| Less : Cash and Cash Equivalents | 5,783 | 17,009 |
| Net Debt (A) | 1,16,917 | 1,47,184 |
| Equity Share Capital | 5 | 5 |
| OTHER EQUITY | 13,493 | 15,047 |
| Total Equity (B) | 13,497 | 15,052 |
| Debt Equity Ratio A/B | 8.66 | 9.78 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**NOTE 34 : CATEGORIES OF FINANCIAL INSTRUMENTS****Fair Value measurement**

₹ lakh

| | 31st March 2022 | | 31st March 2021 | |
|---------------------------------------|-----------------|----------------|-----------------|----------------|
| | FVPL / FVOCI | Amortised Cost | FVPL / FVOCI | Amortised Cost |
| Financial Assets | | | | |
| Loans | — | — | — | — |
| Other financial assets | — | 1,958 | — | 1,039 |
| Cash and cash equivalent | — | 5,783 | — | 17,009 |
| Bank balances other than above | — | 18 | — | 17 |
| Total of Financial Assets | — | 7,759 | — | 18,065 |
| Financial Liabilities | | | | |
| Borrowings | — | 1,15,698 | — | 1,50,022 |
| Trade payables | — | — | — | — |
| Other Financial liabilities | — | 14,938 | — | 21,823 |
| Total of Financial Liabilities | — | 1,30,636 | — | 1,71,845 |

NOTE 35:

The COVID-19 Pandemic has spread throughout the world. The operations of the Company were impacted, due to shutdown of all sites and offices 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 2022. 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 years figures have been regrouped/reclassified/restate wherever necessary, to make them comparable with current year figures in the financial statement.

As per our report of even date

FOR M. H. DALAL & ASSOCIATESFirm Registration No. 112449W
CHARTERED ACCOUNTANTS**DEVANG DALAL**PARTNER
Membership No. 109049Mumbai
Date: 30th May, 2022**FOR AND ON BEHALF OF BOARD OF DIRECTORS****RUSHANK SHAH**
DIRECTOR
DIN 02960155**ANIL AHLUWALIA**
DIRECTOR
DIN 00597508**JAYA VERMA**
COMPANY SECRETARY**ALAKNANDA PURAV**
CHIEF FINANCIAL OFFICER**PRAPHUL SHINDE**
CHIEF EXECUTIVE OFFICERMumbai
Date: 30th May, 2022

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TWENTY FIVE SOUTH REALTY LIMITED

Registered Office: Hindoostan Mills Compound, Kashinath Dhuri Marg, Patilwadi, OffVeer Savarkar Road, Prabhadevi, Mumbai – 400025.
CIN-U51100MH1996PLC1008

| | |
|---------------------------|--|
| Folio No. | |
| No. of shares held | |

ATTENDANCE SLIP

I/We hereby record my/our presence at the **Twenty Sixth Annual General Meeting** of the Company held on Wednesday, September 14, 2022 at 11.30 a.m. at Pravinchandra Gandhi Board Room, IMC Building, 4th Floor, IMC Marg, Churchgate, Near Churchgate Railway Station (West), Mumbai - 400020.

| | |
|---|--|
| NAME OF THE SHAREHOLDER (IN BLOCK LETTERS) | |
| SIGNATURE OF THE SHAREHOLDER | |
| NAME OF THE PROXY (IN BLOCK LETTERS) | |
| SIGNATURE OF PROXY | |

Notes:

- You are requested to sign and handover this slip at the entrance to the Meeting Venue.
- If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

TWENTY FIVE SOUTH REALTY LIMITED

Registered Office: Hindoostan Mills Compound, Kashinath Dhuri Marg, Patilwadi, OffVeer Savarkar Road, Prabhadevi, Mumbai – 400025.
CIN-U51100MH1996PLC1008

| | |
|---------------------------|--|
| Folio No. | |
| No. of shares held | |

FORM OF PROXY

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We of in the district of
being a member/members of **TWENTY FIVE SOUTH REALTY LIMITED** hereby appoint
of in the district of or failing him
of in the district of as my/our proxy to vote for me/us on my/our behalf at the
Twenty Sixth Annual General Meeting of the Company to be held on Wednesday, September 14, 2022 at 11.30 a.m. at Pravinchandra Gandhi Board Room IMC Building, 4th Floor, IMC Marg, Churchgate, Near Churchgate Railway Station (West), Mumbai - 400020..and at any adjournment thereof.

Signed this day of , 2022.

Affix Re. 1
Revenue
Stamp

Signature

N.B.: This proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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NOTES

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BOOK-POST

If undelivered please return to:

Twenty Five South Realty Limited

CIN-U51100MH1996PLC100876

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