

TWENTY FIVE SOUTH REALTY LIMITED

**27TH ANNUAL REPORT
2022 – 2023**

BOARD OF DIRECTORS

MR. RUSHANK SHAH (upto May 09, 2023)	WHOLE-TIME DIRECTOR
MR. PRAPHUL SHINDE (w.e.f May 09, 2023)	WHOLE-TIME DIRECTOR
MR. SACHIN SAWANT (w.e.f April 28, 2023)	NON-EXECUTIVE DIRECTOR
MR. ANIL AHLUWALIA (upto April 28, 2023)	NON-EXECUTIVE DIRECTOR
MR. SUNIL SHAH } MS. VANDANA DHANKI }	INDEPENDENT DIRECTORS

KEY MANAGERIAL PERSONNEL

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. NDAA & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITORS

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

TRUSTEES FOR DEBENTURE HOLDERS

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

CONTENTS

	Pages
Notice.....	03
Director's Report	12
Annexures to Director's Report	23
Independent Auditor's Report	29
Balance Sheet.....	40
Statement of Profit and Loss	41
Cash Flow Statement.....	42
Statement of Changes in Equity.....	43
Notes to Financial Statements	44

THIS PAGE INTENTIONALLY KEPT BLANK

NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON FRIDAY, SEPTEMBER 29, 2023 AT 11.30 AM AT JOLLY CONFERENCE ROOM, 4TH FLOOR, IMC BUILDING, IMC MARG, CHURCHGATE, 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, 2023 and the Reports of the Board of Directors and Auditors thereon; and
2. To appoint a Director in place of Mr. Sachin Sawant and, being eligible, offers himself for re-appointment.
3. To appoint M/s. A R C K & Co., Chartered Accountants, (Registration No.138758W) as Statutory Auditors of the Company in place of M/s. M. H. Dalal & Associates, Chartered Accountants (Firm Registration No. 112449W) and fix their remuneration, and in this connection, to consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Sections 139, 140, 141, 142, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, M/s. A R C K & Co., Chartered Accountants, (Registration No. 138758W) as the Statutory Auditors of the Company, be appointed to hold office for the term of 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company to be held in year 2028, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, and that the Board of Directors be and is hereby authorised to fix such remuneration as may be recommended by the Audit Committee in consultation with the Company and that such remuneration be paid as agreed upon between the Auditors and the Company.

SPECIAL BUSINESS:

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

As an Ordinary Resolution:

4. **APPOINTMENT OF MR. SACHIN SAWANT (DIN: 08245090) AS DIRECTOR OF THE COMPANY LIABLE TO RETIRE BY ROTATION**

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), Mr. Sachin Sawant (DIN: 08245090) who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 28, 2023 pursuant to the provisions of Section 161 (1) of the Act and who holds office upto the date of the ensuing Annual General Meeting and in respect of notice in writing under Section 160 of the Act has been received by the Company from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

As a Special Resolution:

5. APPOINTMENT OF MR. PRAPHUL SHINDE (DIN: 03140671) 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. Praphul Shinde (DIN: 03140671) as Whole-Time Director of the Company for a period of 3 (three) years, with effect from May 09, 2023 to May 08, 2026, 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. Praphul Shinde;

RESOLVED FUTHER THAT where in any financial year during the currency of tenure of Mr. Praphul Shinde as Wholetime 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**

**Sachin Sawant
Director
(DIN: 08245090)**

Place : Mumbai

Date : August 11, 2023

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 27th AGM is annexed hereto. 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.
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. cs@25south.in.
7. Members may also note that the Notice of 27th Annual General Meeting and Annual Report 2022-2023 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 23, 2023 to September 29, 2023 (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.

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

The members of the Company had at their 22nd Annual General Meeting held on September 29, 2018, approved the appointment of M/s. M. H. Dalal & Associates, Chartered Accountants (Firm Registration No. 112449W) as the statutory Auditors of the Company for the term of five consecutive years till the conclusion of 27th Annual General Meeting to be held in year 2023. M/s. M. H. Dalal & Associates, Chartered Accountants (ICAI Firm Registration No. 112449W), have vide their letter dated August 09, 2023 had resigned before completion of its term, due to order dated June 28, 2023 issued by National Financial Reporting Authority on their Firm, resulting into Casual Vacancy.

As per section 139(8) of the Companies, Act, 2013, a casual vacancy caused by the resignation of the Statutory Auditors shall be filed by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee and confirmation received from M/s. A R C K & Co., Chartered Accountants (Firm Registration No. 138758W) on their eligibility, the Board of Directors at their meeting held on August 11, 2023 recommends to the members of the Company in the proposed Extraordinary General Meeting scheduled to be held on September 08, 2023 for the appointment of M/s. A R C K & Co., Chartered Accountants, as the Statutory Auditors of the Company to fill the casual vacancy caused by resignation of M/s. M. H. Dalal & Associates, Chartered Accountants, and to hold the office of statutory auditors upto the conclusion of this 27th Annual General Meeting.

Further, based on the recommendation of the Audit Committee and confirmation received from M/s. A R C K & Co., Chartered Accountants (Firm Registration No.138758W) on their eligibility, the Board of Directors at their meeting held on August 11, 2023 recommends to the members for the appointment of M/s. A R C K & Co., Chartered Accountants, as the Statutory Auditors of the Company for the period of five consecutive years, from the conclusion of this 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company to be held for the year 2028 at such remuneration plus out of pocket expenses and applicable taxes, as may be fixed by the Board.

The Company has received consent letter and eligibility certificate from M/s. A R C K & Co., Chartered Accountants, (Registration No.138758W), to act as Statutory Auditor of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. The said eligibility certificate and consent letter will be available for inspection of the members.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 03 of the notice as an ordinary resolution.

None of the Directors or Key Managerial Persons of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution as set out at the Item No. 03 of the Notice.

ITEM NO. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on April 28, 2023 has appointed Mr. Sachin Sawant (DIN: 08245090) as an Additional Director of

the Company. In accordance with the provisions of Section 161 (1) of the Companies Act, 2013 (the Act), Mr. Sachin Sawant holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Sachin Sawant for the office of Director.

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

The Board recommends the passing of the resolution at Item No. 4 of the accompanying Notice.

Except for Mr. Sachin Sawant, the appointee, none of the Directors or KMP or their relatives are concerned or interested, financially or otherwise in the aforesaid resolution.

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 May 09, 2023, appointed Mr. Praphul Shinde (DIN 03140671) as Whole-time Director of the Company for a period of 3 (three) years from May 09, 2023 to May 08, 2026, 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 May 09, 2023 to May 08, 2026.

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.

Remuneration :

Salary: ₹ 1,08,92,076/- per annum (Gross) in the scale of ₹ 1,08,92,076/- to ₹ 1,20,00,000/- 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 and as per the policy of the Company.

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. Praphul Shinde satisfies all the conditions set out in Part I of Schedule V to the Act and 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.

I. 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	2020-2021	2021-2022	2022-2023
Total Income	6111	878	121,415
Profit/Loss Before Tax	(1,779)	(2,134)	(42,261)
Profit After Tax	(582)	(1,538)	(42,123)
Dividend on Equity	—	—	—

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

II. Information about the appointee:

- (1) **Background details:** Mr. Praphul Shinde , Director of Twenty Five South Realty Limited. Mr. Praphul Shinde possesses qualification as Civil Engineer.
- (2) **Past remuneration:** NA
- (3) **Recognition or awards:** NA
- (4) **Job profile and his suitability:** Mr. Praphul Shinde has 25 years of experience in real estate and engineering projects. Mr. Shinde has a wide experience in designing, engineering planning and construction area.
- (5) **Remuneration proposed:** As resolution set out in Item No. 5 of the Notice of AGM, the remuneration of Mr. Praphul Shinde 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. Praphul Shinde 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.

III. Other information:

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

Due to economic slowdown, high volatility in material price increased competition coupled with adverse market conditions resulted into lower profitability for the Company. Thus, the Company incurred a loss for the Financial Year 2022-23.

(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 measures to reduce costs as well as improve operational efficiency/ productivity and the Company undertakes constant measures to improve it.

IV. Disclosures

The remuneration package proposed to be given to Mr. Praphul Shinde 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.

The brief profile of Mr. Praphul Shinde, 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 are 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 appointment of Mr. Praphul Shinde 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. Praphul Shinde 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. Praphul Shinde 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

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

**Sachin Sawant
Director
(DIN: 08245090)**

Mumbai

Date: August 11, 2023

Annexure - 'I'

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. Sachin Sawant	Mr. Praphul Shinde
Particulars ↓ DIN →	08245090	03140671
Category	Non-Executive	Executive
Age	40 years	55 years
Date of first appointment on Board	April 28, 2023	May 09, 2023
Qualification	MBA	Civil Engineer
Experience in functional area	Over 19 years	Over 25 years
Nature of expertise in specific functional areas.	Preparation & finalization of Information Memorandum, Preparing proposal for Banks and Investor Purpose and other Finance areas	Designing, engineering planning and construction area.
Terms and conditions of appointment / reappointment along with details of remuneration sought to be paid	Appointed as Non- Executive Director in the Professional Category liable to retire by rotation. Remuneration- NA	Pursuant to Section 196, 197, 198, 203 of the Companies Act, 2013, Mr. Praphul Shinde has been appointed as Additional Director designated as Whole Time Director of the Company for a tenure of 3 (three) consecutive years, subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting of the Company.
Remuneration last drawn	Not Applicable	Not Applicable
No. of shares held as on March 31, 2023 (either singly or as first named joint shareholder only)	Nil	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	None	None
No. of Board meetings attended during the year	NA	NA
Directorships in other companies as on March 31, 2023 (Public Limited Companies)	Whitebud Developers Limited	<ul style="list-style-type: none"> Ackruti Center Infotech Limited Citygold Education Research Limited
Membership / Chairmanship of Committees of other public limited companies (Audit Committee and Stakeholders Relationship Committee only)	None	None

BOARD'S REPORT

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

Your Directors have pleasure in presenting their Twenty Seventh Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS:

The financial highlights of the Company for the year ended March 31, 2023 are as hereunder:

(₹ In Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Income	121,415	878
Total Expenses	163,676	3012
Profit / (Loss) before Tax	(42,261)	(2134)
Profit / (Loss) after Tax	(42,123)	(1538)

FINANCIAL PERFORMANCE:

- Income from operations stood at ₹ 1,20,808 Lakhs as against ₹ 687 Lakhs in the previous year;
- Total Income stood at ₹ 121,415 Lakhs as against ₹ 878 Lakhs in the previous year;
- Total Expenses stood at ₹ 163,676 Lakhs as against ₹ 3,012 Lakhs in the previous year;
- Loss before Tax was ₹ 42,261 Lakhs as against loss of ₹ 2,134 Lakhs in the previous year;
- Loss for the year was ₹ 42,123 Lakhs as against loss of ₹ 1,538 Lakhs in the previous year;
- Earning per Share before and after Extraordinary Item was Loss of ₹ 10,973 Lakhs as against Loss of ₹ 401 Lakhs in the previous year; and
- Networth of the Company stood at ₹ 28,626 lakh as against ₹ 13,497 lakh in the previous year.

BUSINESS OVERVIEW:

Your Company is one of India's leading real estate company, engaged in the business of execution and development of real estate project "25 South", one of the luxurious project of South Mumbai.

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, 2023, 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, 2023 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, 2023:

Sr. No.	Particulars	Issue Amount	Outstanding amount as on March 31, 2023
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/-	₹ 8,84,00,00,000/-
3	3500 Unlisted, rated Secured Cumulative redeemable Non-convertible Debentures	₹ 3,50,00,00,000/-	₹ 3,50,00,00,000/-
4	1400 Unlisted, rated Secured Cumulative redeemable Non-convertible Debentures	₹ 1,40,00,00,000/-	₹ 1,40,00,00,000/-

1. Issue-Company has issued 3,500 (Three Thousand Five Hundred) senior, secured, unrated, unlisted, redeemable and non-convertible debentures of face value of ₹ 1,000,000 (Rupees one million only) each, aggregating to ₹ 3,500,000,000 (Indian Rupees Three Billion and Five Hundred Million only) during the financial year 2022-2023.
2. Issue-Company has issued 1400 (Fourteen Hundred) Unlisted, rated Secured Cumulative redeemable Non-convertible Debentures of face value of ₹ 1,000,000 (Rupees one million only) each, issued at par, aggregating up to ₹ 1,400,000,000 (Rupees One billion Four Hundred million only) during the financial year 2022-2023.

- 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.

REGISTERED OFFICE:

During the year under review, there is no change in the address of Registered Office of the Company.

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) Mr. Anil Ahluwalia (DIN: 00597508), Non-Executive Director stepped down from the Board of Directors of the Company owing to his other commitments, with effect from April 28, 2023. The Board places on record its sincere appreciation for the invaluable contribution by Mr. Ahluwalia to the deliberations of the meetings of the Board and the Committee of the Board of which he was a member during his tenure as Director of the Company.
- b) The Board of Directors on recommendation of Nomination and Remuneration Committee appointed Mr. Sachin Sawant (DIN: 08245090) as an Additional Director of the Company with effect from April 28, 2023 to hold office upto the date of the ensuing Annual General Meeting. Mr. Sachin Sawant being eligible has offered himself for reappointment. The proposal for his reappointment has been included in the Notice convening the ensuing annual General Meeting.
- c) In accordance with the provisions of the Section 152 (6) (e) of the Companies act, 2013, Mr. Sachin Sawant (DIN: 08245090), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
- d) 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.

Brief resume of Mr. Sachin Sawant, nature of his 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, Wholetime Director of the Company, stepped down from the Board of Directors of the Company due to pre-occupancy and existing professional commitments, with effect from May 09, 2023. The Board places on record its sincere appreciation for the invaluable contribution by Mr. Rushank. Shah to the deliberations of the meetings of the Board and the Committee of the Board of which he was a member during his tenure as Wholetime Director of the Company.
- (b) Mr. Praphul Shinde resigned from the post of Chief Executive Officer of the Company with effect May 09, 2023. The Board places on record its sincere appreciation for the invaluable contribution by Mr. Shinde, during his tenure as Chief Executive Officer of the Company.
- (c) The Board of Directors on recommendation of Nomination and Remuneration Committee appointed Mr. Praphul Shinde (DIN: 03140671) as an Additional Director designated as Wholetime Director of the Company, for the period of 3 years with effect from May 09, 2023 to May 08, 2026, subject to approval in ensuing Annual General Meeting. The proposal for his appointment as Whole-time Director of the Company has been included in the Notice convening the ensuing annual General Meeting.
- (d) Ms. Alaknanda Purav was appointed as Chief Financial Officer of the Company with effect from April 15, 2020.
- (e) Ms. Jaya Verma was appointed as a Company Secretary and Compliance Officer of the Company with effect from November 13, 2020.

DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors on the Board have given a declaration of their independence to the Company as required under Section 149 (7) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfill the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The Company has in place appropriate policy on Directors' appointment and remuneration as required under Section 178(3) of the Act, which has been uploaded on the Company's website and weblink of the same is <https://25south.in/>

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, 11 (Eleven) 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, and 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 the Board Meeting	Mr. Rushank Shah (DIN: 02960155)	Mr. Anil Ahluwalia (DIN: 00597508)	Mr. Sunil C. Shah (DIN: 06947244)	Ms. Vandana Dhanki (DIN: 09083495)
1	April 15, 2022	Present	Present	Present	Absent
2	May 20, 2022	Absent	Present	Present	Present
3	May 30, 2022	Absent	Present	Present	Present
4	July 19, 2022	Absent	Present	Present	Present
5	August 12, 2022	Present	Absent	Present	Present
6	November 12, 2022	Present	Present	Present	Absent
7	November 14, 2022	Present	Present	Present	Present
8	December 08, 2022	Present	Present	Present	Absent
9	January 24, 2023	Present	Present	Present	Absent
10	February 02, 2023	Present	Present	Present	Present
11	March 23, 2023	Present	Present	Present	Absent

AUDIT COMMITTEE:

The Audit Committee was reconstituted on April 28, 2023. The composition of the Audit Committee is as under:

Sr. No.	Name of Director	Board Designation	Committee Designation
1.	Mr. Sunil C. Shah	Independent Director	Chairman
2.	Ms. Vandana Dhanki	Independent Director	Member
3.	Mr. Anil Ahluwalia (upto April 28, 2023)	Director	Member
4.	Mr. Sachin Sawant (w.e.f April 28, 2023)	Director	Member

During the year under review, 6 (Six) meetings of the Audit Committee of the Company were held on 30.05.2022, 19.07.2022, 12.08.2022, 14.11.2022 ,08.12.2022 and 23.03.2023 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 C. Shah (Chairman)	Ms. Vandana Dhanki (Member)
1	May 30, 2022	Present	Present	Present
2	July 19, 2022	Present	Present	Present
3	August 12, 2022	Absent	Present	Present
4	November 14, 2022	Present	Present	Present
5	December 08, 2022	Present	Present	Absent
6	March 23, 2023	Present	Present	Absent

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

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee was reconstituted on May 09, 2023. 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
3.	Mr. Anil Ahluwalia (upto April 28, 2023)	Wholetime Director	Member
4.	Mr. Sachin Sawant (w.e.f April 28, 2023)	Wholetime Director	Member

During the year under review, 1(One) meeting of the Nomination and Remuneration Committee of the Company was held on August 12, 2022.

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

Sr. No.	Date of the Meeting	Mr. Rushank Shah (Member)	Mr. Sunil C. Shah (Chairman)	Ms. Vandana Dhanki (Member)
1	August 12, 2022	Present	Present	Present

INDEPENDENT DIRECTORS:

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 was held on May 20, 2022, as required under clause vii of schedule IV of the Companies Act, 2013.

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 (Chairman)
1	May 20, 2022	Present	Present

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:

Pursuant to the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board has carried out an annual evaluation of its own performance, performance of the Individual Directors as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The performance evaluation of Committees was based on criteria such as structure and composition of Committees, attendance and participation of member of the Committees, fulfillment of the functions assigned to Committees by the Board and applicable regulatory framework, frequency and adequacy of time allocated at the Committee meetings to fulfill duties assigned to it, adequacy and timeliness of the agenda and minutes circulated, comprehensiveness of the discussions and constructive functioning of the Committees, effectiveness of the Committee's recommendation for the decisions of the Board, etc.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors at their separate meeting. The performance evaluation of the Wholetime Director of the Company was also carried out by the Independent Directors, taking into account the views of the Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

In addition, the Independent Directors were also evaluated on the basis of fulfilment of independence criteria and independence from the management.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, in relation to the annual financial statements of the Company for the year ended March 31, 2023, the Board of Directors hereby confirms that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, wherever applicable;
- (ii) such accounting policies have been selected and applied consistently and the Directors 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 as at March 31, 2023, and of the loss of the Company for the year ended on that date;

- (iii) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts of the Company have been prepared on a 'going concern' basis;
- (v) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that 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 2022-2023.

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.

COPY OF ANNUAL RETURN:

Pursuant to the provisions of section 134(3) (a) and section 92(3) of the Companies Act, 2012, the Annual return will be available on the website of the Company at the link: <https://25south.in/>

STATUTORY AUDITORS:

It is proposed to appoint M/s. A R C K & Co., Chartered Accountants, (Registration No.138758W), as Statutory Auditors of the Company for a term of five (5) consecutive years commencing from the conclusion of the ensuing 27th Annual General Meeting (“AGM”) in year 2023 till the conclusion of the 32nd AGM of the Company to be held in year 2028, in place of M/s. M. H. Dalal & Associates, Chartered Accountants, who shall retire at the conclusion of 27th Annual General Meeting of the Company to be held in 2023 upon completion of their existing term of five (5) consecutive years.

M/s. A R C K & Co., Chartered Accountants have offered themselves for appointment and have confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the said Act and do not have any pecuniary interest in the Company.

QUALIFICATIONS BY AUDITORS:

The Notes to the Financial Statements forming part of the Balance Sheet as at March 31, 2023 and the Statement of Profit and Loss for the year ended on that date, referred to in the Auditor’s Report, are self-explanatory .

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.

SECRETARIAL AUDIT REPORT:

In terms of Section 204 of the Companies Act, 2013, a Secretarial Audit Report given by the Secretarial Auditors in the Form No. MR-3 is annexed with this Report as **Annexure - A**.

REPLIES TO SECRETARIAL AUDITOR’S QUALIFICATIONS:

As regards to the Secretarial Auditors observations in Secretarial Auditor’s Report, the Directors have to state that due to inadvertence and through oversight the Company 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.

INTERNAL AUDITORS:

As per the provisions of the Companies Act, 2013, the Company appointed M/s. NDAA & Associates LLP, Chartered Accountants (Firm Reg. No. 129486W/W10775) as an Internal Auditor of the Company for the financial year 2023-2024.

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 - 'B'** 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 will be 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 ₹ 295.17 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.

The Whistle Blower Policy has been uploaded on the Company website at the link: <https://25south.in/>

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, 2023 is given in the table herein below:

1.	number of complaints filed during the financial year 2022-2023	NIL
2.	number of complaints disposed of during the financial year 2022-2023	NIL
3.	number of complaints pending as on end of the financial year 2022-2023	NIL

The said Policy is available on the website of the Company at the link: <https://25south.in/>

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 : June 09, 2023
Place : Mumbai

Praphul Shinde **Sachin Sawant**
Whole-Time Director **Director**
DIN: 03140671 **DIN: 08245090**

“ANNEXURE-A”

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 its 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, 2023** 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, 2023** 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 (if any);

- 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(There were no events requiring compliance during the audit period)**
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(There were no events requiring compliance during the audit period)**
 - h. 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)**
 - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - k. 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), General Meeting (SS-2), Secretarial Standard on Dividend (SS-3) and Secretarial Standard on Report of the Board of Directors (SS-4) 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 ("SEBI (LODR)");

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 50 of SEBI (LODR) with respect to Intimation to Stock Exchange for fund raising by way of issuance of 3,500, 2,000 and 20,000 non-convertible debentures and Regulation 51 of SEBI (LODR) with respect to the disclosure of the outcome of meetings of the board of directors to the Stock Exchange, within thirty minutes of the closure of the meeting held to consider (a) the decision with respect to fund raising proposed to be undertaken by way of non-convertible securities.*
- II. *The Company has not complied with Regulation 52 sub regulation 8 of SEBI (LODR) with respect to the publication of financial results for the quarter ended on 30 June, 2022.*
- III. *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. *The Company has made full redemption of principal amount of 57 Redeemable and Non-Convertible Debentures.*
- II. *The Company has allotted 3,500 (three thousand five hundred) senior, secured, unrated, unlisted, redeemable and non-convertible debentures of face value of Rs.1,000,000/- (rupees one million only) each, on private placement basis in a board meeting held on 20.05.2022.*
- III. *The Company has taken approval for issue of 2,000 (two thousand) secured, unrated, unlisted, redeemable and non-convertible debentures of face value of Rs.1,000,000/- (rupees one million only) each, issued at par in a board meeting held on 12.11.2022.*
- IV. *The Company has allotted 1,400 (one thousand and four hundred) secured, unrated, unlisted, redeemable and non-convertible debentures of face value of Rs.1,000,000/- (rupees one million only) each on private placement basis in a board meeting held on 02.02.2023.*
- V. *The Company has taken approval for issue of 20,000 (twenty thousand) secured, unrated, unlisted, redeemable and non-convertible debentures of face value of ₹.1,000,000 (rupees one million only) each, issued at par in a board meeting held on 02.02.2023.*

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

Mitesh Shah
Proprietor

FCS No.: 10070

C. P. No.: 12891

Peer Review Certificate No. 1730/2022

UDIN: F010070E000474182

Date: 09.06.2023

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: F010070E000474182

Date: 09.06.2023
Place: Mumbai

“ANNEXURE-B”

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, 2023.	Nil	—
2	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2022-2023.	Nil	—
3	Percentage increase in the median remuneration of employees in the Financial Year 2022-2023.	Nil	
4	The number of permanent employees on the rolls of the Company.	70	
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

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, 2023, 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 2023, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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

Emphasis of Matters

We invite attention to;

- a) Note No.2 (II)(b)(ii) of the financial statements, regarding 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) 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.
- c) Note No.30 of the financial statements, regarding balances that are subject to confirmations, reconciliation and adjustment, if any.

- d) 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.

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, to the extent applicable.
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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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**".
 - 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.

The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The Company has disclosed the impact of pending litigations as at 31st March 2023 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: 23109049BGVMBH2532

Place : Mumbai

Date : 31st May, 2023

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, 2023

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 state 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 has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order 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) There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company;
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023;
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 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 Rs.5 crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order 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) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company;
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable 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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the 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) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company;
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared a wilful defaulter by any banks or financial institutions or other lenders;
- (c) Term loans were applied for the purpose for which the loans were obtained;
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company;

- (e) On an overall examination of the financial statements of the Company, 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) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company;
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company;
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable 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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year;
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b),(c) of the Order is not applicable 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) The Company has an internal audit system commensurate with the size and nature of its business;
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us;

- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company;
- (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 disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that Company is not capable of meeting its liabilities existing at the date of 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;
- (xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a),(b) of the Order is not applicable 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 M. H. DALAL & ASSOCIATES

Firm Registration No.: 112449W

Chartered Accountants

DEVANG DALAL

Partner

Membership No.: 109049

UDIN: 23109049BGVMBH2532

Place : Mumbai

Date : 31st May, 2023

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

Opinion

We have audited the internal financial controls over financial reporting of **TWENTY FIVE SOUTH REALTY LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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.

Management’s Responsibility for Internal Financial Controls

The Company’s Management and Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 authorizations 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.

FOR FOR M. H. DALAL & ASSOCIATES

Firm Registration No.: 112449W

Chartered Accountants

DEVANG DALAL

Partner

Membership No.: 109049

UDIN: 23109049BGVMBH2532

Place : Mumbai

Date : 31st May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ lakhs)			
Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	426	158
(b) Capital work-in-progress	3	629	—
(c) Financial assets			
(i) Other financial assets	4	4	55
(d) Deferred tax assets (Net)	6	2,810	2,813
Total Non-Current Assets		3,869	3,026
2. Current Assets			
(a) Inventories	8	2,22,372	2,78,846
(b) Financial assets			
(i) Cash and cash equivalents	9	17,470	5,783
(ii) Bank balances other than (i) above	10	—	18
(iii) Other financial assets	4	1,410	1,903
(c) Other current assets	7	4,441	1,462
(d) Current tax assets (Net)	5	2,053	883
Total Current Assets		2,47,746	2,88,895
TOTAL ASSETS		2,51,615	2,91,922
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	11	5	5
(b) Other equity	12	(28,631)	13,493
Total Equity		(28,626)	13,497
2. Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1,76,294	1,11,393
(ii) Other Financial Liabilities	15	2,386	662
(b) Provisions	16	116	62
Total Non-Current Liabilities		1,78,796	1,12,116
(ii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	430	4,305
(ii) Trade payables	14		
Due to micro and small enterprises		82	22
Due to others than micro and small enterprises		3,894	3,199
(iii) Other financial liabilities	15	2,103	14,277
(b) Other current liabilities	17	94,902	1,44,487
(c) Provisions	16	33	19
Total Current Liabilities		1,01,444	1,66,308
Total Liabilities		2,80,241	2,78,424
TOTAL EQUITY AND LIABILITIES		2,51,615	2,91,922

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR M. H. DALAL & ASSOCIATES

Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL

PARTNER
Membership No. 109049

Mumbai
Date: 31st May, 2023

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PRAPHUL SHINDE
WHOLE-TIME DIRECTOR
DIN 03140671

JAYA VERMA
COMPANY SECRETARY

Mumbai
Date: 31st May, 2023

SACHIN SAWANT
DIRECTOR
DIN 08245090

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)			
Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I Income			
Revenue from Operations	18	1,20,808	687
Other Income	19	607	191
Total Income		1,21,415	878
II Expenses			
Costs of Construction / Development	20	26,895	42,457
Purchases of Stock-in-Trade		1,829	1,113
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	21	44,155	(52,058)
Employee Benefits Expense	22	1,202	848
Finance Costs	23	55,461	1,544
Depreciation and Amortisation Expenses	24	83	174
Other Expenses	25	34,051	8,933
Total Expenses		1,63,676	3,012
III Profit / (Loss) before Tax		(42,261)	(2,134)
IV Tax Expense			
(1) Current Tax		—	(142)
(2) Deferred tax (charge) / credit		(4)	737
(3) Excess / (Short) provision for taxation in respect of earlier years		142	—
		138	595
V Profit / (Loss) for the Year		(42,123)	(1,538)
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeseasurement of the net defined benefit plans		—	(16)
VII Total comprehensive income for the year		(42,123)	(1,554)
VIII Earning per equity share of nominal value of ₹ 10/- each			
Basic and Diluted	26	(87,510)	(3,196)

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

Mumbai
Date: 31st May, 2023

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PRAPHUL SHINDE
WHOLE-TIME DIRECTOR
DIN 03140671

JAYA VERMA
COMPANY SECRETARY

Mumbai
Date: 31st May, 2023

SACHIN SAWANT
DIRECTOR
DIN 08245090

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ 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	(42,261)	(2,134)
Add / (Less) :		
Finance costs	55,461	1,544
Depreciation and amortisation	83	174
Interest income	(407)	(181)
Remeseasurement of the net defined benefit liability / asset	—	(16)
Loss on foreign currency fluctuation (Net)	3	1
Excess provision written back	(37)	(2)
Sundry Credit balance appropriated	(51)	(8)
	<u>55,052</u>	<u>1,512</u>
Operating profit before working capital changes	12,791	(621)
Add / (Less) :		
(Increase) in inventories	56,474	(52,165)
(Increase) / Decrease in Other Current & Non current Asset	18	(1)
(Increase) / Decrease in Loans and advances	(2,300)	(525)
Increase / (Decrease) in trade and other payables	(45,419)	85,972
Direct taxes paid	(1,028)	(818)
	<u>7,745</u>	<u>32,463</u>
Net cash flow from operating activities	20,535	31,842
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Interest income received	272	178
Purchase of fixed assets	(980)	(20)
Net cash flow from investing activities	(708)	158
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Proceeds from Long Term Borrowing	64,902	(35,256)
Proceeds from Short Term Borrowing	(3,875)	930
Repayment of Security Deposit	(6,718)	(188)
Finance costs paid	(62,449)	(8,713)
Net cash flow from financing activities	(8,141)	(43,226)
Net increase/(decrease) in cash and cash equivalents (I + II + III)	11,687	(11,226)
Add: Balance at the beginning of the year	5,783	17,009
Cash and cash equivalents at the end of the year	17,470	5,783
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	0.1	0.1
Balances with banks		
— in Current accounts	2,105	5,683
— in Deposits with maturity of less than three months	15,364	100
	<u>17,470</u>	<u>5,783</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

Mumbai
Date: 31st May, 2023

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PRAPHUL SHINDE
WHOLE-TIME DIRECTOR
DIN 03140671

SACHIN SAWANT
DIRECTOR
DIN 08245090

JAYA VERMA
COMPANY SECRETARY

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

Mumbai
Date: 31st May, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)

	Notes	Amount
A. EQUITY SHARE CAPITAL		
As at 01st April, 2021	11	5
Changes in equity share capital		—
As at 31st March, 2022		5
Changes in equity share capital		—
As at 31st March, 2023		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, 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)	13,492
Balance at 1st April, 2022	18,663	—	—	(5,170)	13,492
Profit / (Loss) for the year	—	—	—	(42,123)	(42,123)
Remeasurement of net defined benefit recognised in other comprehensive income	—	—	—	—	—
Balance at 31st March, 2023	18,663	—	—	(47,293)	(28,631)

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

DEVANG DALAL
PARTNER
Membership No. 109049

Mumbai
Date: 31st May, 2023

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PRAPHUL SHINDE
WHOLE-TIME DIRECTOR
DIN 03140671

JAYA VERMA
COMPANY SECRETARY

Mumbai
Date: 31st May, 2023

SACHIN SAWANT
DIRECTOR
DIN 08245090

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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 31st May 2023.

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.

a) Judgements

Classification of property

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

b) Estimates and assumptions

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

i) Employee Benefit Plans

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

ii) Estimation of net realisable value for inventory

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

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

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

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

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

III REVENUE RECOGNITION

Revenue 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

- 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

V FINANCIAL INSTRUMENTS

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

A. Investments and Financial Assets

i. *Initial recognition*

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

ii. *Subsequent measurement*

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

a) *Financial Assets at Amortised Cost*

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

b) *Financial Assets Measured at Fair Value*

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

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

iii. *De-recognition of Financial Assets:*

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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:

a. 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.

b. 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.

c. Derecognition of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

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

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

ii. *Provisions*

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

VIII TAXATION

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

iii. Current and deferred tax for the year

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

IX INVENTORIES

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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 the period of the borrowings using the effective interest method.

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**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, 2023

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

(₹ lakhs)

	Mivan System (Reckli 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/Disarmment	—	—	—	—	—	—	—	—
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	—	158	—

	Mivan System (Recli formliner)	Mivan System	Computers and Laptops	Furniture and Fixtures	Office Equipment	Project office	Vehicle	Total	Capital work-in- progress
Cost or deemed cost									
Balance at 31st March, 2022	485	269	24	132	120	460	—	1,490	—
Additions	182	—	12	7	24	—	125	351	629
Disposals/Disarmment	—	—	—	—	—	—	—	—	—
Transferred to addition	—	—	—	—	—	—	—	—	—
	667	269	36	140	145	460	125	1,841	629
Accumulated depreciation and impairment									
Balance at 31st March, 2022	466	254	14	56	82	460	—	1,332	—
Eliminated on disposal/discardment of assets	—	—	—	—	—	—	—	—	—
Depreciation expense	26	—	9	14	27	—	8	83	—
Balance at 31st March, 2023	491	254	24	70	109	460	8	1,415	—
Carrying amount as at 31st March, 2023	176	15	12	70	36	—	117	426	629

Footnote:

Fixed Assets under project office being fully amortized

(₹ lakhs)

Ageing for CWIP outstanding as at March 31, 2022 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	—	—	—	—	—
Projects temporarily suspended	—	—	—	—	—

Ageing for CWIP outstanding as at March 31, 2023 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	629	—	—	—	629
Projects temporarily suspended	—	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)

	As at 31st March, 2023	As at 31st March, 2022
--	---------------------------	---------------------------

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

Deposits with maturity more than twelve months

— Margin money deposits. (Refer Footnote) — 51

Security deposits 4 4

Total 4 55**Footnote:**

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

Current**Other Advances and Receivables**

Others 1,263 1,892

1,263 1,892

Interest accrued and due on fixed deposits 147 12

Total 1,410 1,903**NOTE 5. CURRENT TAX ASSETS (NET)**

Advance Income Tax paid 2,053 1,025

Less: Provision for Tax — (142)

Total 2,053 883**Income Tax expense****(a) Income Tax expense****Current Tax**

Current Tax on taxable income for the year — —

Tax in respect of earlier years — —

Current tax expense — —**Deferred tax**

Decrease / (increase) in deferred tax assets 4 (737)

(Decrease) / increase in deferred tax liabilities — —

Deferred tax charge / (credit) 4 (737)**Income tax expense** 4 (737)**(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, 2023

(₹ lakhs)

	As at 31st March, 2023	As at 31st March, 2022
--	---------------------------	---------------------------

NOTE 6. DEFERRED TAX ASSETS (NET)

The following is the analysis of deferred tax asset / (liabilities) presented in the balance sheet

Deferred Tax Asset	2,810	2,813
Deferred Tax Liability	—	—
Total	2,810	2,813

	Opening Balance	Credit/(Charge) in Statement of Profit and Loss	Closing Balance
2022-2023			
Deferred tax assets / (liabilities) in relation to:			
On account of Others	20	4,679	4,699
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis.	37,645	(26,704)	10,941
On account of Inventory	(35,026)	22,036	(12,990)
Property, plant and equipment	175	(15)	160
Total	2,813	(4)	2,810

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

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, 2023

(₹ lakhs)

	As at 31st March, 2023	As at 31st March, 2022
NOTE 7. OTHER ASSETS		
Current		
Advance to Suppliers	1,897	769
GST input credit receivable	565	678
Other advances and receivables	20	—
Advances Towards Prospective Project	176	—
Other Advances		
— Prepaid Expenses	8	14
— Others	1,775	—
Total	4,441	1,462

NOTE 8. INVENTORIES

Inventories (lower of cost or net realisable value)

— Stock of material at site	80	159
— Stock in Trade (Acquired for Trading)	768	414
— Incomplete projects	2,21,524	2,78,273
Total	2,22,372	2,78,846

NOTE 9. CASH AND CASH EQUIVALENTS

Balances with banks:

— in current accounts	2,105	5,683
— in deposit with maturity of less than three months	15,364	100
Cash on hand	0.1	0.1
Total	17,470	5,783

NOTE 10. OTHER BANK BALANCES

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

	—	18
Total	—	18

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, 2023

(₹ lakhs)

	As at 31st March, 2023	As at 31st March, 2022
--	---------------------------	---------------------------

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	10
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	0.50
50,000 (PY : 50,000), 10% Non Cumulative Redeemable Preference Shares of ₹ 10 each [Refer Note 13 (iv)]		
Total	5	5
	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

	As at 31st March, 2023	
	Number of shares	Share Capital (₹)
Ordinary Equity Shares		
Balance at 31st March, 2021	37,306	3,73,060
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2022	37,306	3,73,060
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2023	37,306	3,73,060
Class A Equity Shares		
Balance at 31st March, 2021	10,200	1,02,000
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2022	10,200	1,02,000
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2023	10,200	1,02,000
Class B Equity Shares		
Balance at 31st March, 2021	629	6,290
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2022	629	6,290
Add / (Less) : Issued / (Bought back) during the year	—	—
Balance at 31st March, 2023	629	6,290

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**b) Terms / rights attached to Equity Shares:**

- i. The ordinary equity shares have a face value of ₹ 10/- per share. In the event of liquidation of 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.
- ii. Class A shareholder will have preference to dividend and additional voting rights as per shareholder agreement depending on performance milestones.
- iii. 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 shareholders holding more than 5% shares**i. Equity Share Capital**

	As at 31st Mar, 2023			As at 31st Mar, 2022	
	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%
Distictive Realty Private Limited	2,704	7.25%	0%	2,704	7.25%
Amazia Developer Private Limited	11,191	30.00%	0%	—	—
Kimwil Investment Holdings Limited	—	—	—	11,191	30.00%
Class 'A' Equity Shares					
Amazia Developer Private Limited	10,200	100%	0%	—	—
Kimwil Investment Holdings Limited	—	—	—	10,200	100%
Class 'B' Equity Shares					
Amazia Developer Private Limited	629	100%	0%	—	—
Kimwil Investment Holdings Limited	—	—	—	629	100%

(₹ lakhs)

As at
31st March, 2023

As at
31st March, 2022

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 (5,170) (3,616)

Profit attributable to the owners of the company (42,123) (1,538)

Other comprehensive income for the year — (16)

Balance at the end of the year (47,293) (5,170)

Total

(28,631) 13,493

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)

	As at 31st March, 2023	As at 31st March, 2022
NOTE 13. BORROWINGS		
Non-current		
(i) Debentures — Secured		
1000 (PY :1000) 8% Listed, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹ 0.01 lakh — each (Refer footnote a)	10	10
3500 (PY : Nil) 18% Unlisted, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹10 lakhs — each (Refer footnote b)	35,000	—
9740 (PY : 9740) Unlisted, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹ 9.08 lakhs — each (Refer footnote c)	88,400	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
1400 (PY : Nil) Unlisted, Rated Secured Cumulative, Redeemable non-convertible debentures of the face value of ₹ 10 lakhs — each (Refer footnote c)	14,000	—
(ii) Premium on redemption of debentures	184	9,782
(iii) Premium on redemption of debentures (Value at Amortised cost adjustment IND AS)	38,700	—
(vi) Liability Component of Preference Shares		
1,865 (PY : 1,865) 10% Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up (Refer footnote f)	0.19	0.19
Total	1,76,294	1,11,393

Footnotes:

a. Senior (Listed) Non Convertible Debentures :

- Senior Debentures A series are Listed carry coupon at the rate of 18%, 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 lacs of residual debentures as per DTD) along with redepmtion premium in July 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**b. Senior (Unlisted) Non Convertible Debentures :**

- i. Senior Debentures B series are Unlisted carry coupon at the rate of 18%, 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.

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. 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.

(₹ lakhs)

	As at 31st March, 2023	As at 31st March, 2022
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, 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
Add : Issued during the year	—	—
Less : Bought back during the year	—	—
Balance at 31st March, 2023	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	430	3,724
— From Companies	—	581
Total	430	4,305

Footnote:

During the year, the Company has acquired new loan from Nitant Real Estate Private Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**NOTE 14. TRADE PAYABLES**

Ageing for trade payables outstanding as at March 31, 2023 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)	64	18	—	0.1	82
Due to others than micro and small enterprises	2,359	993	483	59	3,894
Total					3,976

Ageing for trade payables outstanding as at March 31, 2022 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)	18	—	4	—	22
Due to others than micro and small enterprises	2,582	492	30	95	3,199
Total					3,221

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 ₹ 82 lakhs (P.Y-₹ 22 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, 2023

(₹ lakhs)

	As at 31st March, 2023	As at 31st March, 2022
--	---------------------------	---------------------------

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

Retention money payable (Refer footnote)	905	662
Other current financial liabilities- other Payables	1,481	—
Total	2,386	662

Footnote:

Retention Money liability to contractors which are due for payment as at 31st March, 2023 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, 2023.

Current

Interest accrued but not due on borrowings	14	7,002
Retention money payable	543	104
Security deposits (Refundable)	94	6,812
Other payables	1,453	359
Total	2,103	14,277

NOTE 16. PROVISIONS**Non-current**

Employee Benefits		
Provision for Gratuity	98	37
Provision for leave benefit	18	24
Total	116	62

Current

Employee Benefits		
Provision for Gratuity	17	2
Provision for leave benefit	16	16
Total	33	19

NOTE 17. OTHER CURRENT LIABILITIES**Current**

Advance from customers	94,720	1,44,353
Other payables :		
— Statutory dues	182	134
— Employees benefit payables	0.51	0.51
Total	94,902	1,44,487

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
--	--------------------------------	--------------------------------

NOTE 18. REVENUE FROM OPERATIONS

Revenue from Sale of Finished Properties	1,19,862	—
Revenue from Sale of trading materials	847	666
Other operating revenue :		
Excess Provision written back/ Provision no longer required	37	2
Sundry Credit balance written back	51	8
Royalty Income	10	11
Total	1,20,808	687

NOTE 19. OTHER INCOME

Interest Income:		
Bank fixed deposits	398	180
Others	9	1
Total	407	181
Miscellaneous income	200	11
Total	200	11

NOTE 20. COSTS OF CONSTRUCTION / DEVELOPMENT

Construction costs incurred during the year:		
Land / rights acquired	738	14,797
Material and labour costs	19,357	17,114
Approval and consultation expenses	6,800	10,544
Other direct development expenses	—	3
Total	26,895	42,457

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
--	--------------------------------	--------------------------------

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

Opening Inventory :

Incomplete projects	2,78,273	2,26,320
Stock in Trade (Trading Material)	402	308
	<u>2,78,675</u>	<u>2,26,628</u>

Closing Inventory :

Incomplete projects	2,33,753	2,78,273
Stock in Trade (Trading Material)	768	414
	<u>2,34,520</u>	<u>2,78,687</u>
Total	<u><u>44,155</u></u>	<u><u>(52,058)</u></u>

NOTE 22. EMPLOYEE BENEFITS EXPENSE

Salaries, bonus, etc.	1,096	810
Contribution to provident and other funds	94	28
Staff welfare expenses	11	9
Other fund expenses	1	1
Total	<u><u>1,202</u></u>	<u><u>848</u></u>

NOTE 23. FINANCE COSTS

Interest on Debentures (Refer foot note a)	45,126	681
Premium on Redemption of debentures (Value at Amortised cost adjustment IND AS)	3,199	843
Interest on Fixed loans	7,031	—
Other interest expense	105	20
Total	<u><u>55,461</u></u>	<u><u>1,544</u></u>

Footnotes:

- a. In the line with IND AS-23 'Borrowing Costs,' the borrowing cost of ₹ 55,461 Lakhs (P.Y. ₹ 1,544 lakhs) have been capitalised to Inventory.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
--	--------------------------------	--------------------------------

NOTE 24. DEPRECIATION AND AMORTISATION EXPENSES

Depreciation of property, plant and equipment	83	82
Amortisation of Project office	—	92
Total	83	174

NOTE 25. OTHER EXPENSES

Insurance	123	54
Rent	16	16
Rates and taxes	234	468
Advertisement expenses	1,742	412
Advances and other debit balances written off	4	-
Brokerage	2,718	1,227
Directors' fees and travelling expenses	12	8
Travelling and conveyance	22	7
Repairs and society maintenance charges	54	45
Legal and professional fees	9,254	463
Loss on foreign currency fluctuation (Net)	3	1
Other expenses	19,869	6,231
Total	34,051	8,933

Auditors Remuneration (included in other expenses)

Audit fees	5	3
Other certification fees	-	0.40
Limited review fees	1	1
Service tax/GST on above	1	1
Total	7	4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
--	--------------------------------	--------------------------------

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

Profit /(Loss) for the year	(42,123)	(1,538)
Weighted average number of equity shares outstanding	0.48	0.48
Earnings Per Share (₹) — Basic (Face value of ₹10 per share)	(87,510)	(3,196)

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	7.29%	6.85%
Expected rate of salary increase	6%	6%
Expected average remaining service	15.46	15.78

Service cost

Current service cost	18	9
Past service cost and (gain)/loss from settlement	—	—
Net interest expense	0.28	0.92

Component of define benefit cost recognised in profit or loss

Acturial (gains) / losses for the period	128	16
--	-----	----

Component of defined benefit cost recognised in other comprehensive income

Total	147	26
--------------	------------	-----------

Present value of funded defined benefit obligation

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

Funded status

	(115)	(40)
--	-------	------

Movement in PV of defined benefit obligation

Opening define benefit obligation	49	23
Current service cost	18	9
Interest cost	0.28	0.92
Acturial (gains) / losses for the period	128	16
Closing define benefit obligation	196	49

Movements in fair value of plan asstes

Opening fair value of plan assets	—	—
Closing fair value of plan assets	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Asset Information:	Total Amount	Total Amount
Gratuity Fund	—	—
Expected Payout:		PVO Payout
Expected Outgo First Year		16
Expected Outgo Second Year		13
Expected Outgo Third Year		14
Expected Outgo Fourth Year		14
Expected Outgo Fifth Year		15
Expected Outgo Sixth to Tenth Years		73

Sensitivity Analysis:

As of 31st March, 2023, every percentage point increase in discount rate will affect our gratuity benefit obligation ₹ 1.06 Crore

As of 31st March, 2023, every percentage point decrease in discount rate will affect our gratuity benefit obligation ₹ 1.26 Crore

As of 31st March, 2023, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation ₹ 1.23 Crore

As of 31st March, 2023, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation ₹ 1.08 Crore

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, 2023 is ₹ 18 lakhs

Narrations:

1 Analysis of Defined Benefit Obligation

The number of members under the scheme have increased by 9.38%. Similarly the total salary has increased by 4.78% during the accounting period. The resultant liability at the end of the period over the beginning of the period has increased by 191.27%

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 6.85% to 7.29% 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, 2023**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 Nitant Real Estate Private Limited)

B. Other Companies

- 1 Powersoft IT Private Limited
- 2 Buildbyte.Com (India) Private Limited
- 3 Glamorous Properties Private Limited
- 4 Heet Builders 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:

(₹ lakhs)

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			
	Nitant Real Estate Private Limited	1,018 (932)	— (—)	— (—)
	ii. Loans and Advances given \ repaid \ recovered \ adjusted			
	Nitant Real Estate Private Limited	4,312 (—)	— (—)	— (—)
	iii. Consultancy and server rental charges			
	Powersoft IT Pvt Ltd	— (—)	— (—)	358 (157)
	Buildbyte.com (INDIA) Private Limited	— (—)	— (—)	91 (74)
	Heet Builders Private Limited	4,213 (—)	— (—)	— (—)
	iv. Interest expense			
	Nitant Real Estate Private Limited	3,433 (—)	— (—)	— (—)
	v. Office Expenses			
	Glamorous Properties Private Limited	6 (2)	— (—)	— (—)
	vi. Paid against Credit balances			
	Powersoft IT Pvt Ltd			358 (157)
	Buildbyte.com (INDIA) Private Limited			91 (74)

Note: Figures in brackets are of the previous year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ lakhs)

	As at 31st March, 2023	As at 31st March, 2022
B. Balance outstanding payables / receivables:		
a. Balance Payable		
Holding company		
Nitant Real Estate Private Limited	430	7,024
Other Companies		
* Powersoft IT Private Limited	15	—
Glamorous Properties Private Limited	1	—
Buildbyte.com (INDIA) Private Limited	15	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	NIL	1,078
	Interest - RERA Complaint Nos -198332/2021	NIL	2,240
	Interest - RERA Complaint Nos -198333/2021	NIL	1,213
3	Bank Guarantee : (0544NDDG00053222 Dtd. 03.06.2021)	50.00	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 appellant bodies the matter was referred to the Industrial Tribunal which passed its order confirming closure. A writ petition was filed by the workers Union against the order of Industrial Tribunal. The said dispute is yet to be resolved fully. Liability disclosed herewith is net of Advances paid amounting ₹ 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 ₹ 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, 2023

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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.

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

		(₹ lakhs)	
		As at 31st March, 2023	As at 31st March, 2022
Trade payables	USD	43,875	43,875
	INR	36	33

NOTE 32. 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:

		(₹ lakhs)	
		As at 31st March, 2023	As at 31st March, 2022
Borrowings including current Maturities		1,76,724	1,15,698
Interest accrued and due/and but not due		14	7,002
Total Debt		1,76,738	1,22,700
Less : Cash and Cash Equivalents		17,470	5,783
Net Debt (A)		1,59,269	1,16,917
Equity Share Capital		5	5
Other Equity		(28,631)	13,493
Total Equity (B)		(28,626)	13,497
Debt Equity Ratio A/B		(5.56)	8.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**NOTE 33 : CATEGORIES OF FINANCIAL INSTRUMENTS****Fair Value measurement**

(₹ lakhs)

	31st March 2023		31st March 2022	
	FVPL / FVOCI	Amortised Cost	FVPL / FVOCI	Amortised Cost
Financial Assets				
Loans	—	—	—	—
Other financial assets	—	1,414	—	1,958
Cash and cash equivalent	—	17,470	—	5,783
Bank balances other than above	—	—	—	18
Total of Financial Assets	—	18,884	—	7,759
Financial Liabilities				
Borrowings	—	1,76,724	—	1,15,698
Trade payables	—	—	—	—
Other Financial liabilities	—	4,489	—	14,938
Total of Financial Liabilities	—	1,81,213	—	1,30,636

NOTE 34:

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 & ASSOCIATES
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL
PARTNER
Membership No. 109049

Mumbai
Date: 31st May, 2023

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PRAPHUL SHINDE
WHOLE-TIME DIRECTOR
DIN 03140671

JAYA VERMA
COMPANY SECRETARY

Mumbai
Date: 31st May, 2023

SACHIN SAWANT
DIRECTOR
DIN 08245090

ALAKNANDA PURAV
CHIEF FINANCIAL OFFICER

THIS PAGE INTENTIONALLY KEPT BLANK

TWENTY FIVE SOUTH REALTY LIMITED

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

Folio No.	
No. of shares held	

ATTENDANCE SLIP

I/We hereby record my/our presence at the **Twenty Seventh Annual General Meeting** of the Company held on Friday, September 29, 2023 at 11:30 a.m at Jolly Conference Room, 4th Floor, IMC Building, IMC Marg, Churchgate, 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, Off Veer Savarkar Road, Prabhadevi, Mumbai – 400025.
CIN-U51100MH1996PLC100876

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 Seventh Annual General Meeting of the Company to be held on **Friday, September 29, 2023 at 11:30 a.m** at Jolly Conference Room,
4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai - 400020..and at any adjournment thereof.

Signed this day of, 2023.

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.

THIS PAGE INTENTIONALLY KEPT BLANK

ROUTE MAP



THIS PAGE INTENTIONALLY KEPT BLANK

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