INDEPENDENT AUDITOR'S REPORT

To
The Members of
Royal Netra Constructions Private Limited
Report on the Audit of Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Royal Netra Constructions Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, and 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 then ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the financial statements').

2. 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Act 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

4. Attention is invited to note no. 1.02 in the accompanying audited financial statements as regards the composite scheme of amalgamation and arrangement filed before the Hon'ble NCLT.

   Our opinion is not qualified in respect of matter stated here-in-above.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, 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. In addition to the matters described in the Material Uncertainty Related to Going Concern and Emphasis of Matters section, the key audit matter to be communicated in our report is as under.

Valuation of project work in progress at lower of cost or net realisable value:

The Company is developing a SRA project which envisages settlement of the tenements of the societies. Upon completion of the conditions, the construction activities shall commence thereafter. The cost incurred till date is being carried forward as project work-in-progress at cost or net realisable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale and estimated costs of completion (in case of project work-in- progress). The inventory of project work-in- progress is not written down below cost when under-construction flats /properties are expected to be sold at or above cost. However, the estimation of net realisable value depends upon various factors like government approvals, saleable area, project cost, sale value, estimation of future market and economic conditions etc. These factors require significant judgement and estimations.

As a part of the audit procedures, we have reviewed:

(a) the project estimates for its reasonableness and underlying assumptions including the detailed project report which is prepared by the Company and approved by the management; and

(b) inquiries with the management with regards to the development in the project as compared to previous year.

Based on such audit procedures, we did not identify any material exceptions to the partner's assessment as regards valuing the project work-in-progress at cost.

Information Other than the financial statements and Auditor's Report Thereon

6. The Company's Board of Directors is responsible for the preparation of other information. The other information obtained at the date of this auditor's report is Director's report but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The Company's Board of Directors are 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 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 of 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

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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, Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 standalone 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

9. 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.

10. As required by section 143(3) of the Act, 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 purpose of our audit;

    (b) In our opinion proper books of account as required by law have been kept by the Company so far as 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 Cash Flow Statement dealt with this report are in agreement with the books of account;

    (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

    (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2023, from being appointed as a director in terms of Section 164(2) of the Act;

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(f) With respect to adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report given in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(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, as amended:

Provisions of Section 197 of the Act are not applicable to the Company as it is a private company

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) There are no pending litigations and hence the question of disclosing the financial impact thereof in the financial statements does not arise.

(ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.

(iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of ultimate beneficiaries

(b) The management has represented that, to the best of its knowledge and belief, The no funds have been received by the Company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

(c) Based on the audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations given by the management contain any material misstatement.

(v) The Company has not declared or paid dividend during the year. Hence, the requirement of commenting on compliance with section 123 of the Companies Act, 2013 does not arise.

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(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the year.

For M A Parikh Shah & Associates LLP
Chartered Accountants
Firm's Registration No. 107556W/W100897

Dhaval B. Selwadia
Partner
Membership No. 100023
UDIN: 23100023BGWNFW3726

Place: Mumbai,
Date: 29-05-2023

Royal Netra Constructions Private Limited

Annexure – A to the Independent Auditors' Report for the year ended 31st March, 2023
[Referred to in point 9 under the heading "Report on other legal and regulatory requirements" of our report of even date]

(i) (a) The Company does not own any property, plant and equipment and intangible assets. Therefore, clauses (i)(a)(A), (i)(a)(B), (i)(b), and (i)(d) of paragraph 3 of the Order are not applicable to the Company.

(b) The Company does not own any immovable property. Therefore, clause (i)(c) of paragraph 3 of the Order is not applicable to the Company.

(c) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

(ii) (a) The inventory at the year-end comprises of construction work-in-progress. Based on the information and explanations provided to us and in our opinion, the coverage and procedures of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records were less than 10% in the aggregate for each class of inventory.

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Therefore, clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, during the year, the Company has not made investments or provided any guarantee or security, secured or unsecured, to companies, firms, limited liability partnerships or other parties. During the year, the Company has granted loans, in respect of which:

(a) During the year, the Company has provided loans to companies, and other parties as follows:

(Rs. in lakhs)

Particulars	Aggregate amount granted during the year	Balance outstanding as on 31.03.2023 in respect of these loans
Other companies	1,260.81	1,260.81

(b) In our opinion and according to the information and explanations given to us, the terms and conditions of loans granted during the year are not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans granted, the schedule of repayment of principal has not been stipulated. The loan is repayable on demand and the amount have been received whenever demanded by the Company. Thus, we are unable to make a specific comment on the regularity of repayment in respect of loan.

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(d) As stated above, since repayment schedule is not stipulated, we are unable to comment on the amounts overdue for more than ninety days and reasonable steps for recovery as required under paragraph 3(iii)(d) of the Order.

(e) As stated above, since the loan granted by the Company are repayable on demand and other than that no other loan has been granted by the Company which has fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of the existing loans given to the same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loans granted during the year which are repayable on demand have not been granted to the Promoters, related parties as defined in clause (76) of section 2 of the Act;

(iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 to 186(1) of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable. Further, the provisions of section 186 [except for sub-section (1)] of the Act are not applicable to the Company as it is engaged in the business of providing infrastructural facilities.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Therefore, question of reporting compliance with directive issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act for the activities carried out by the Company. Therefore, clause (vi) of paragraph 3 of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been regular in depositing the undisputed statutory dues including goods and service tax, income-tax, and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed amounts payable in respect of the said statutory dues, outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

As explained to us, the Company did not have any dues on account of provident fund, employees' state insurance, duty of customs, sales tax, duty of excise, value added tax and cess.

(b) There is no disputed liability in respect of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess (as applicable to the Company) outstanding as at 31st March, 2023. Therefore, our comment on disputed amounts which have not been deposited does not arise.

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CHARTERED ACCOUNTANTS

(viii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the income tax assessments under the Income Tax Act, 1961 and that has not been recorded in the books of account.

(ix) (a) The Company has not taken any loans or borrowings from any bank, financial institution and government. Therefore, clauses (ix)(a) of paragraph 3 of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any other lender.

(c) The Company has not obtained term loans. Therefore, clause (ix)(c) of paragraph 3 of the Order is no applicable to the Company.

(d) According to the information and explanations given to us, and on the basis of our examination of financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiaries, joint ventures or associate companies. Therefore, clauses (ix)(e) and (ix)(f) of paragraph 3 of the Order are not applicable to the Company.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Therefore, clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

(b) The Company has made private placement of preference shares during the year. In our opinion and according to the explanations and information provided to us, the requirements of section 62 of the Act, have been complied with. Further, the amounts raised have been used for the purpose for which the funds were raised.

(xi) (a) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to information and explanation given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

(b) In view of our comments in clause (a) above, no report in under sub-section (12) of section 143 of the Act was required to be filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) The provisions of section 177(9) of the Act does not require Company to establish whistle-blower mechanism. Further, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also not applicable to the Company. Therefore, clause (xi)(c) of paragraph 3 of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 of the Order is not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Act with respect to applicable transactions with the related-parties and the details of related party transactions

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have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Provisions of section 138 of the Act with regards to formal internal audit system are not applicable to the Company. Therefore, clauses (xiv)(a) and (xiv)(b) of paragraph 3 of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Therefore, clause (xv) of paragraph 3 of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, clauses (xvi)(a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company.

(b) As per the information and explanations given to us there is no core investment within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.

(xvii) The Company has incurred cash loss in the financial year and in the immediately preceding financial year of Rs. 102.52 lakhs and Rs. 18.88 lakhs respectively.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) In our opinion and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the board of directors and management plans, and based on our examination of the evidence supporting the assumption, nothing has come to our attention, which causes us to believe that any material uncertainty exist as on the date of audit report indicating that the Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet. We however, state that this is not an assurance as to future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Provisions of section 135 of the Act are not applicable to the Company. Therefore, clause (xx)(a) and clause (xx)(b) of paragraph 3 of the Order are not applicable.

For M A Parikh Shah & Associates LLP
Chartered Accountants
Firm's Registration No. 107556W/W100897

Selwadia

M.A. PARIKH SHAH & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Dhaval B. Selwadia
Partner
Membership No. 100023
UDIN: 23100023BGWNFW3726

Place: Mumbai,
Date: 29-05-2023

M A PARIKH SHAH & ASSOCIATES LLP
Chartered Accountants

Royal Netra Constructions Private Limited

Annexure – B to the Independent Auditors' Report for the year ended 31st March, 2023
[Referred to in paragraph 10f under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of Royal Netra Constructions Private Limited ("the Company"), as of 31st March, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, 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.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note"), 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 ICAI and the 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 with reference to financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The

M.A. PARIKH SHAH & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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 M A Parikh Shah & Associates LLP
Chartered Accountants
Firm's Registration No. 107556W/W100897

Dhaval B. Selwadia
Partner
Membership No. 100023
UDIN: 23100023BGWNFW3726

M.A. PARIKH SHAH & ASSOCIATES LLP
MUMBAI
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Place: Mumbai
Date: 29-05-2023

Royal Netra Constructions Private Limited
Balance Sheet as at 31-March-2023
CIN: U45202MH2009PTC194430
All amounts are in INR (lakhs), unless otherwise stated

	Particulars	Note no.	As at 31-Mar-23	As at 31-Mar-22
I	**ASSETS**			
	Non-current assets			
a	Financial assets			
	Others	3	32.19	6.00
b	Non-current tax assets	4	1.22	1.22
			33.41	7.22
	Current assets			
a	Inventories	5	10,062.48	8,961.79
b	Financial assets			
	(i) Cash and cash equivalents	6	145.34	289.69
	(ii) Bank balance other than (i) above	7	88.00	88.00
	(iii) Loans	8	1,260.81	-
	(iv) Other financial assets	9	0.64	0.25
c	Current tax assets	10	7.91	0.52
d	Other current assets	11	-	0.66
			11,565.18	9,340.91
	Total		11,598.59	9,348.13
II	**EQUITY AND LIABILITIES**			
	Equity			
a	Equity share capital	12	150.00	150.00
b	Other equity	13	581.79	(146.24)
			731.79	3.76
	Non-current liabilities			
a	Financial liabilities			
	Borrowings	14	1,648.56	-
	Other	15	0.97	-
b	Long-term provisions	16	2.41	-
			1,651.94	-
	Current liabilities			
a	Financial liabilities			
	(i) Borrowings	17	7,794.92	7,794.92
	(ii) Trade payables	18		
	- Total outstanding dues of creditors to micro enterprises and small enterprises		-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		9.53	-
	(iii) Other financial liabilities	19	4.77	144.03
b	Other current liabilities	20	7.81	11.41
c	Short-term provisions	21	1,397.83	1,394.00
			9,214.86	9,344.37
	Total		11,598.59	9,348.13
	Summary of significant accounting policies	2		
	Refer accompanying notes. These notes are an integral part of the financial statements.	3-45		

As per our attached report of even date

For M A Parikh Shah & Associates LLP
Chartered Accountants
Firm Registration No.: 107556W/W100897

Bselwadia

Dhaval B. Selwadia
Partner
Membership No: 100023

Place : Mumbai
Date : 29-05-2023

M.A. PARIKH SHAH & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

ROYAL NETRA CONSTRUCTIONS PVT. LTD. MUMBAI

For Royal Netra Constructions Private Limited

Atul Khedkar
Director
DIN :09012446

Ashwin Pariakar
Director
DIN : 09527336

Place : Mumbai
Date : 29-05-2023

Royal Netra Constructions Private Limited
Statement of Profit & Loss for the financial year ended 31-March-2023
CIN: U45202MH2009PTC194430
All amounts are in INR (lakhs), unless otherwise stated except equity share and per share data

	Particulars	Note no.	For the financial year ended 31-March-2023	For the financial year ended 31-March-2022
I	Revenue from operations		-	-
	Other income	22	79.11	5.26
	Total income		**79.11**	**5.26**
II	**Expenses**			
	Changes in inventories of work-in-progress.	5	(1,100.69)	(732.81)
	Land Cost	23	127.02	-
	Employee benefits expense	24	53.61	25.54
	Finance costs	25	79.20	88.80
	Other expenses	26	1,022.56	642.61
	Total expenses		**181.72**	**24.14**
III	**(Loss) before tax (I)-(II)**		**(102.61)**	**(18.88)**
IV	**Tax expense**			
	a) Current tax		-	-
	b) Deferred tax		-	-
	c) Current tax expense relating to prior years		-	(0.05)
V	**(Loss) for the year (III)-(IV)**		**(102.61)**	**(18.93)**
VI	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total other comprehensive income [A (i)-(ii) + B (i)-(ii)]		-	-
VII	**Total comprehensive income for the year (V)+(VI)**		**(102.61)**	**(18.93)**
VIII	**Earnings per equity share - basic and diluted (Rs.)**	29	**(68.41)**	**(12.62)**
	Weighted average number of equity shares (Face value of Rs. 100/- each)		1,50,000	1,50,000
	Summary of significant accounting policies	2		
	Refer accompanying notes. These notes are an integral part of the financial statements.	3-45		

As per our attached report of even date

For M A Parikh Shah & Associates LLP
Chartered Accountants
Firm Registration No.: 107556W/W100897

MUMBAI

Dhaval B. Selwadia
Partner
Membership No: 100023

Place : Mumbai
Date : 29-05-2023

ROYAL NETRA CONSTRUCTIONS PVT. LTD.
MUMBAI

For Royal Netra Constructions Private Limited

Atul Khedkar
Director
DIN :09012446

Ashwin Pariakar
Director
DIN : 09527336

Place :
Date : 29-05-2023

Royal Netra Constructions Private Limited
Statement of Cash Flows For the financial year ended 31-March-2023
CIN: U45202MH2009PTC194430
All amounts are in INR (lakhs), unless otherwise stated

	Particulars	For the financial year ended 31-March-2023		For the financial year ended 31-March-2022	
A.	**Cash flow from operating activities**				
	Net (loss) before tax		(102.61)		(18.88)
	Adjustments:				
	Finance costs	79.20		88.80	
	Interest income on financial assets at amortized cost	(79.11)	0.09	(5.26)	83.54
			(102.52)		64.66
	Adjustment for changes in working capital				
	Inventories	(1,100.69)		(732.81)	
	Other financial assets	(61.20)		-	
	Other current assets	0.66		-	
	Current financial liabilities-trade payables	9.53		-	
	Other financial liabilities	(138.30)		(267.04)	
	Other liabilities and provisions	2.64	(1,287.35)	10.61	(989.23)
	Net cash (used in operation activities)		(1,389.87)		(924.57)
	Income tax refund / (paid) (net)		(7.39)		0.43
	Net cash from operating activities		**(1,397.26)**		(924.14)
B.	**Cash flow from investing activities**				
	Loan granted during the year	(2,000.00)		-	
	Loan received back during the year	800.00		-	
	Fixed deposit (placed) / redeemed during the year	(26.19)		-	
	Interest income	79.11		5.26	
	Net cash from investing activities		**(1,147.08)**		**5.26**
C.	**Cash flow from financing activities**				
	Proceeds from issue of preference shares	3,230.00		650.00	
	Repayment of borrowings	(3,236.47)		(3,377.24)	
	Borrowings during the year	2,406.47	2,400.00	3,922.85	1,195.61
	Net cash from financing activities		**2,400.00**		**1,195.61**
D.	**Net (decrease)/increase in cash and cash equivalent (A+B+C)**		**(144.35)**		**276.72**
	Opening cash and cash equivalent		377.69		100.96
	Closing cash and cash equivalent		233.34		377.69
	Increase / (Decrease) in cash balance		**(144.35)**		**276.72**

Summary of significant accounting policies 2
Refer accompanying notes. These notes are an integral part of the financial statements. 3-45

Notes :

1 Cash and cash equivalent represents Cash and bank balances.

2 Previous years figures are re-grouped / re-arranged wherever necessary.

3

Cash & cash equivalents as under:	**As at 31-Mar-23**	**As at 31-Mar-22**
Cash on hand	8.25	4.50
Balance in current accounts with scheduled banks	137.09	285.19
Balance in Deposit accounts with scheduled Banks	88.00	88.00
	233.34	**377.69**

As per our attached report of even date

For M A Parikh Shah & Associates LLP
Chartered Accountants
Firm Registration No.: 107556W/W100897

Dhaval B. Selwadia
Partner
Membership No: 100023

Place : Mumbai
Date : 29-05-2023

For Royal Netra Constructions Private Limited

ROYAL NETRA CONSTRUCTIONS PVT. LTD. MUMBAI

Atul Khedkar
Director
DIN :09012446

Ashwin Parlakar
Director
DIN : 09527336

Place : Mumbai
Date : 29-05-2023

Royal Netra Constructions Private Limited
Statement of Changes in Equity for the year ended 31st March, 2023
CIN: U45202MH2009PTC194430
All amounts are in INR (lakhs), unless otherwise stated except equity share data

A. Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital due to prior period	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the beginning of the reporting year
For the financial year ended 31-March-2023	150.00	-	150.00	-	150.00
For the financial year ended 31-March-2022	150.00	-	150.00	-	150.00

B. Other equity

Particulars	Equity Component on Compound Financial Instruments	Reserves and surplus		Total
		Securities premium	Retained earnings	
Balance as at 1st April, 2021	-	135.00	(262.31)	(127.31)
Add: Changes in accounting policy or prior period error	-	-	-	-
Profit / (Loss) for For the financial year ended 31-March-2022	-	-	(18.93)	(18.93)
Share application money refunded during the year	-	-	-	-
Balance as at 1st April, 2022	-	135.00	(281.24)	(146.24)
Add: Changes in accounting policy or prior period error	-	-	-	-
Profit / (Loss) for For the financial year ended 31-March-2023	-	-	(102.61)	(102.61)
Add: capital issued during the year	830.64	-	-	830.64
Balance Sheet as at 31-March-2023	830.64	135.00	(383.85)	581.79

Note : There is no element of other comprehensive income

As per our attached report of even date

For M A Parikh Shah & Associates LLP
Chartered Accountants
Firm Registration No.: 107556W/W100897

Dhaval B. Selwadia
Partner
Membership No: 100023

Place : Mumbai
Date : 29-05-2023

M.A. PARIKH SHAH & ASSOCIATES LLP * CHARTERED ACCOUNTANTS MUMBAI

ROYAL NETRA CONSTRUCTIONS PVT. LTD. * MUMBAI

For Royal Netra Constructions Private Limited

Atul Khedkar
Director
DIN :09012446

Place : Mumbai
Date : 29-05-2023

Ashwin Pariakar
Director
DIN : 09527336

Royal Netra Constructions Private Limited
Notes to Financial Statements for the financial year ended 31-March-2023

1 **Company background :**

1.01 Royal Netra Construction Private Limited (the "Company") is incorporated and domiciled in India. The Company is a Real Estate Development Company with specific concentration on redevelopment under the SRA Projects in the city of Mumbai.

1.02 Platinumcorp Affordable Builders Private Limited (the Transferor Company), and Royal Netra Constructions Private Limited (the Transferee Company) (collectively referred as "Applicant Companies") have filed a composite scheme of amalgamation and arrangement (the Scheme) with the Hon'ble National Company Law Tribunal ("NCLT"). The Hon'ble NCLT vide its order dated 20th January, 2023 had admitted the Scheme and had directed the Applicant Companies to issue notices to all relevant regulatory authorities in case of any representation to be made by them. Pursuant to the same, the said directions were complied with and both the Applicant Companies have filed joint affidavit of service dated 15th February, 2023 with the Hon'ble NCLT.
Further, the Applicant Companies have filed the scheme petition with the Hon'ble NCLT on 15th March, 2023 which has been admitted vide order dated 12th May, 2023 wherein the date of hearing and final disposal of the Scheme is fixed on 15th June, 2023.

1.03 The Company is subsidiary of DB Realty Limited, which is listed with National Stock Exchange and Bombay Stock Exchange. The Company has its principal place of business in Mumbai and its Registered Office is at 1008, Krushal Commercial Complex, G. M. Road, Chembur (West), Mumbai - 400089.

1.04 The Company's financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 29-05-2023 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.

2 **Significant accounting policies, accounting judgements, estimates and assumptions followed in the preparation and presentation of the financial statements :**

2.01 **Statement of compliance**
The financial statements have been prepared in accordance with Indian Accounting Standards as notified under section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (Ind AS) and other relevant provisions of the Act, as applicable.

2.02 **Basis of preparation and presentation**
The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

Transactions and balances with values below the rounding off norms adopted by the Company have been reflected as "0.00" in the relevant notes in these financial statements.

2.03 **Current and Non-Current classification of assets and liabilities and operating cycle :**
All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Act.

Based on the nature of services rendered and the time between the acquisition of assets and their realisation, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

2.04 **Functional and presentation currency**
The functional and presentation currency of the Company is Indian Rupee (INR) and all the values are rounded to nearest INR lakhs, except when otherwise indicated. INR is also the currency of the primary economic environment in which the Company operates.

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2.05 Critical accounting estimates, assumptions and judgements

The preparation of financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

Judgements

In the process of applying the Company's accounting policies, management has made the judgement in respect of following which has the most significant effects on the amounts recognised in the financial statements :

(a) Executability of the project
(b) Provision for cost of construction of area to be handed over.

2.06 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.

(a) Project estimates -

The Company, being a real estate development Company, prepares budgets in respect of its project to compute project profitability. The major components of project estimates are 'budgeted costs to complete the project' and 'budgeted revenue from the project'. While estimating these components various assumptions are considered by the management such as :

(i) Work will be executed in the manner expected so that the project is completed timely;
(ii) Consumption norms will remain same;
(iii) Estimates for contingencies; and
(iv) Price escalations etc.

Due to such complexities involved in the budgeting process, project estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(b) Deferred tax assets -

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences.

The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

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(c) **Defined benefit plans**
The cost and present value of the gratuity obligation and compensated absences are determined using 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, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Assessment of expected credit losses on financial assets.

2.07 **Basis of measurement of fair values-**
These Ind AS financial statements have been prepared on a historical cost basis, except for financial assets and liabilities measured at fair value (refer accounting policy no. 2.10 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

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

2.08 **Inventories :**
Inventories comprise of project work-in-progress representing properties under construction / development. Project work-in-progress is valued at lower of cost or net realizable value. Direct expenses and construction overheads are taken as the cost of the project. The project costs comprise of:

(a) Cost of development rights – includes cost of land, including development rights thereof, registration charges, stamp duty and other incidental expenses.
(b) Construction and development cost – includes cost such as materials, services, depreciation on assets used for project purposes that relates directly to the project and costs that can be attributed to the project activities in general.

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ROYAL NETRA CONSTRUCTIONS PVT. LTD.
MUMBAI

2.09 **Revenue recognition :**

(a) **Sale of properties -**

Revenue from sale of properties under construction is recognized when it satisfies a performance obligation by transferring a promised good or service to a customer in accordance with Ind AS 115. An entity 'transfers' a good or service to a customer when the customer obtains control of that asset. Control may be transferred either at a point in time or over time.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time if one of the following criteria is met :

(i) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

(ii) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(iii) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Revenue is recognised at a point in time if it does not meet the above criteria.

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

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

The revenue recognition of real estate project under development requires forecasts to be made of total budgeted costs with the outcomes of underlying construction contracts, which further require assessments and judgments to be made on changes in scope of work and other payments to the extent they are probable and they are capable of being reliably measured. However, 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.

The Company uses input methods to measure its progress towards complete satisfaction of a performance obligation satisfied over time. Accordingly, it recognises revenue on the basis of its efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, but excludes from an input method the effects of any inputs that do not depict the Company's performance in transferring control of the units under construction. Further, in the early stage of construction, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation as it expects to recover the costs incurred in satisfying the performance obligation.

(b) **Interest income -**

For all financial instruments measured at amortised cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.

2.10 **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.

(i) **Financial assets –**

(a) **Initial recognition and measurement–**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(b) **Subsequent measurement –**

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

- Financial assets at Amortised Cost.
- Financial assets at Fair Value through Other Comprehensive Income. (FVTOCI)
- Financial assets at Fair Value through Statement of Profit and Loss. (FVTPL)

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Financial assets at amortized cost
A financial asset is measured at the amortised cost if both the following conditions are met :

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Financial assets at FVTOCI
A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test : The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test : 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.

Financial assets at FVTPL
Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

(c) Derecognition –
A financial asset (or, where applicable, a part of a financial asset or group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when :

i. The rights to receive cash flows from the asset have expired, or
ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either;
    - the Company has transferred substantially all the risks and rewards
    - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the

(d) Impairment of financial assets –
The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss of financial assets at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the Company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

CHARTERED ACCOUNTANTS MUMBAI

ROYAL NETRA CONSTRUCTIONS PVT. LTD. MUMBAI

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

(ii) Financial liabilities –

(a) Initial recognition and measurement -

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

(b) Subsequent measurement -

This is dependent upon the classification thereof as under :

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortisation is included as finance costs in the statement of profit and loss.

(c) Derecognition -

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments -

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

(iv) Compound financial instruments –

These are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements.

On the date of the issue, the fair value of the liability component is estimated using the prevailing market rate for similar non-convertible instruments and recognised as a liability on an amortised cost basis using the EIR until extinguished upon conversion or on maturity. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole and recognised as equity, net of the tax effect and remains in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to another component of equity. If the conversion option remains unexercised on the maturity date, the balance recognised in equity will be transferred to retained earnings and no gain or loss is recognised in profit or loss upon conversion or expiry of the conversion option.

Transaction costs are allocated to the liability and equity component in proportion to the allocation of the gross proceeds and accounted for as discussed above.

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Royal Netra Constructions Private Limited
Notes to Financial Statements for the financial year ended 31-March-2023

2.11 Leases :

At inception of a contract, Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.12 Employee benefits

a) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit and loss of the year in which the related services are rendered. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

b) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the statement of changes in equity and in the balance sheet.

Defined contribution plans

Contributions to provident fund, a defined contribution plan, are made in accordance with the rules of the statute and are recognized as expenses when employees render services entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.13 Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to statement of profit and loss in the year in which they are incurred.

2.14 Taxes on income :

Income Tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current income taxes -

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the balance sheet date, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in current tax expense.

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(ii) Deferred taxes -

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. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

2.15 Provisions, contingent liabilities and current assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

When the Company expects some or all of a provision to be reimbursed, the same is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. 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 recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes.

2.16 Earnings per share (EPS) :

Basic earnings per share is 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 are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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 equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.17 Cash and cash equivalents :

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

2.18 Statement of cash flows :

Cash Flow Statement is prepared under the Indirect Method as prescribed under the Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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2.19 **Commitments :**

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows :

(a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and

(b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.20 **Ind AS modified but not effective as at Balance Sheet date**

The following standards modified by MCA become effective w.e.f. 1st April 2023.

Particulars	Effective date
Modification to existing Ind Accounting Standard	
Ind AS 101 - First-time Adoption of Indian Accounting Standards	1st April, 2023
Ind AS 102 - Share- based Payment	1st April, 2023
Ind AS 103 - Business Combinations	1st April, 2023
Ind AS 107 - Financial Instruments: Disclosures	1st April, 2023
Ind AS 109 - Financial Instruments	1st April, 2023
Ind AS 115 - Revenue from Contracts with Customers	1st April, 2023
Ind AS 1 - Presentation of Financial Statements	1st April, 2023
Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors	1st April, 2023
Ind AS 12 - Income Taxes	1st April, 2023
Ind AS 34 - Interim Financial Reporting	1st April, 2023

The Company is assessing the potential impact of above amendments on the financial statements. The management presently is of the view that it would not have a material impact on the financial statements.

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3 Non-current financial assets- others

Particulars	As at 31-Mar-23	As at 31-Mar-22
Security deposit	6.00	6.00
Bank deposits with more than 12 months original maturity	26.19	-
Total	32.19	6.00

4 Non-current tax assets

Particulars	As at 31-Mar-23	As at 31-Mar-22
MAT credit entitlement	0.72	0.72
Tax recoverable	0.50	0.50
Total	1.22	1.22

5 Inventories

Particulars	As at 31-Mar-23	As at 31-Mar-22
(Valued at lower of cost or net realisable value)		
Work-in-progress (refer note 5.1 below)	10,062.48	8,961.79
Total	10,062.48	8,961.79

5.1 Details of inventory of work-in-progress

Particulars	As at 31-Mar-23	As at 31-Mar-22
Land cost	3,611.54	3,611.54
Development rights	1,180.00	1,180.00
Land premium	183.67	56.65
Purchase of materials	37.21	30.90
Labour job	102.36	57.55
Hardship Compensation for shifting	3,036.50	2,680.76
Professional fees	405.65	34.61
Coordination charges	25.00	25.00
Bank guarantee charges	0.97	0.97
Electricity Charges	3.73	0.42
Rent- Site Office	15.00	3.00
Repairs & Maintenance Charges	0.25	0.10
Security Service Charges	26.10	13.86
Legal and Professional	43.67	43.67
Transportation charges	3.14	1.15
Employee benefit cost	223.48	169.96
Conveyance Expenses	4.24	2.86
Site expenses	56.82	30.48
Software charges	10.25	-
Brokerage For Alternate Accomodation	5.44	-
Approval Costs	14.67	-
Shifting Charges	4.40	-
Advertisement and Publicity	3.30	-
Miscellaneous expenses	53.23	34.89
Interest on loan taken	1,059.93	1,059.93
Interest from banks on Deposits	(81.46)	(76.50)
Finance Cost	33.39	-
Total	10,062.48	8,961.79

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6 Cash and cash equivalents

Particulars	As at 31-Mar-23	As at 31-Mar-22
Bank balances in current accounts	137.09	285.19
Cash on hand	8.25	4.50
Total	145.34	289.69

7 Bank balance other than cash and cash equivalents

Particulars	As at 31-Mar-23	As at 31-Mar-22
Fixed deposit with maturity more than 3 months but less than 12 months (*)	88.00	88.00
Total	88.00	88.00

Note : Held as margin money against bank guarantee.

8 Loans

Particulars	As at 31-Mar-23	As at 31-Mar-22
(Unsecured, considered good)		
Loans receivables	1,260.81	-
Total	1,260.81	-

9 Other current financial assets

Particulars	As at 31-Mar-23	As at 31-Mar-22
(Unsecured, considered good)		
Interest accrued on bank deposits	0.04	-
Security deposits	0.60	0.25
Total	0.64	0.25

10 Current tax assets

Particulars	As at 31-Mar-23	As at 31-Mar-22
(Unsecured, considered good)		
Current tax recoverable	7.91	0.52
Total	7.91	0.52

11 Other current assets

Particulars	As at 31-Mar-23	As at 31-Mar-22
(Unsecured, considered good)		
Trade advances	-	0.66
Total	-	0.66

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12 Equity share capital

Particulars	As at 31-Mar-23		As at 31-Mar-22	
	Number of shares	Amount	Number of shares	Amount
(a) Authorized				
Equity shares of Rs.100/- each with voting rights	1,85,000	185.00	1,85,000	185.00
0% Redeemable, Non-Convertible Preference Shares of Rs. 100/- each	38,80,000	3,880.00	6,50,000	650.00
	40,65,000	4,065.00	8,35,000	835.00
(b) Issued				
Equity shares of Rs.100 each	1,50,000	150.00	1,50,000	150.00
	1,50,000	150.00	1,50,000	150.00
(c) Subscribed and paid up				
Equity shares of Rs.100 each, fully paid up	1,50,000	150.00	1,50,000	150.00
Total	1,50,000	150.00	1,50,000	150.00

12.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening balance	Fresh issue	Closing balance
Equity shares			
Year ended 31 March, 2023			
-Number of equity shares	1,50,000	-	1,50,000
-Amount	150.00	-	150.00
Year ended 31 March, 2022			
-Number of equity shares	1,50,000	-	1,50,000
-Amount	150.00	-	150.00

12.2 Rights, preferences and restriction attached to equity shares

The Company has equity shares having face value of Rs. 100/- per share. Each shareholder is eligible for one vote per share held. The voting rights dividend rights and winding up rights are in proportion to number of shares held.

12.3 Details of equity shares held by the holding company

Name of the shareholder	As at 31-Mar-23		As at 31-Mar-22	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of Rs. 100/- each				
DB Realty Limited	75,600	50.40%	75,600	50.40%

12.4 Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of shareholder	As at 31-Mar-23		As at 31-Mar-22	
	Number of shares held	% of holding	Number of shares held	% of holding
DB Realty Limited	75,600	50.40%	75,600	50.40%
Murugan Properties And Management Pvt Ltd	15,000	10.00%	15,000	10.00%
Vandna Berjis Desai	24,000	16.00%	24,000	16.00%
Rajendra Mirani	12,000	8.00%	12,000	8.00%

12.5 Details of shareholding of promoters in the Company

Promoter name	Opening no. of shares held	Closing no. of shares held	% of total shares	% Change during the year
Equity Shares of Rs. 100/- each				
As at 31st March, 2023				
DB Realty Limited	75,600	75,600	50.40%	0.00%
As at 31st March, 2022				
DB Realty Limited	75,600	75,600	50.40%	0.00%

Note: There is no change in percentage of shareholding of Promoters in any class of the shares vis-à-vis previous year.

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13 Other equity

Particulars	As at 31-Mar-23	As at 31-Mar-22
Equity component of compound financial instruments		
Balances at the beginning of the year	-	-
Add: Recognised during the year	830.64	-
Balance at the end of the year	830.64	-
Security premium account		
Balances at the beginning of the year	135.00	135.00
Add: Recognised during the year	-	-
Balance at the end of the year	135.00	135.00
Retained earnings		
Balances at the beginning of the year	(281.24)	(262.31)
Add : (Loss) For the financial year ended 31-March-2023	(102.61)	(18.93)
Balance at the end of the year	(383.85)	(281.24)
Total	581.79	(146.24)

14 Non-current financial liabilities - borrowings

Particulars	As at 31-Mar-23	As at 31-Mar-22
Unsecured 24,00,000 (Previous year: Nil) 0% Redeemable, Non-Convertible Preference Shares of Rs. 100/- each (Refer note no. 14.1)	1,648.56	-
Total	1,648.56	-

14.1 Terms of repayment, tenure of 0% Redeemable, Non-Convertible Preference Shares of Rs. 100/- each (RNCPS).
The preference shares are redeemable at the option of board or directors at any time after period of six months from date of allotment and prior to the period of five year from the date of issue of same class of preference shares by the Company .The preference shares shall not carry any voting rights except as provided under any law for the time being in force. The preference shares shall not have any right to participate in the surplus or profits of the Company during winding-up. With respect to rights on liquidation or winding-up, the preference shares shall rank prior to equity shares of the Company. Further, the management is of the view that the preference shares shall be redeemed at the end of the period of 5 years and accordingly the value at which these preference shares are issued is taken as amortized cost.

15 Other non-current financial liabilities

Particulars	As at 31-Mar-23	As at 31-Mar-22
Performance security deposit	0.97	-
Total	0.97	-

16 Long-term provisions

Particulars	As at 31-Mar-23	As at 31-Mar-22
Provision for employee benefits: (Unfunded) (Refer note no. 33) - Gratuity	2.41	-
Total	2.41	-

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17 Current financial liabilities - borrowings

Particulars	As at 31-Mar-23	As at 31-Mar-22
Unsecured		
14,80,000 (Previuos year: 6,50,000) 0% Redeemable, Non-Convertible Preference Shares of Rs. 100/- each (Refer note no. 17.1)	1,480.00	650.00
Unsecured loans- repayable on demand		
From related parties (Refer note no : 28)	4,458.99	4,478.59
From others	1,855.93	2,666.33
Total	7,794.92	7,794.92

17.1 The preference shares are redeemable at the option of board or directors at any time after period of six months from date of allotment and prior to the period of five year from the date of issue of same class of preference shares by the Company .The preference shares shall not carry any voting rights except as provided under any law for the time being in force. The preference shares shall not have any right to participate in the surplus or profits of the Company during winding-up. With respect to rights on liquidation or winding-up, the preference shares shall rank prior to equity shares of the Company. Further, the management is of the view that the preference shares shall be redeemed within 1 year and accordingly the value at which these preference shares are issued is taken as fair value. The preference shares are held by Platinumcorp Affordable Builders Private Limited.

18 Current financial liabilities - trade payables

Particulars	As at 31-Mar-23	As at 31-Mar-22
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9.53	-
Total	9.53	-

18.1 Details of dues to micro, small and medium enterprises as per MSMED Act, 2006

Particulars	As at 31-Mar-23	As at 31-Mar-22
The principal amount outstanding at the end of the year (not due)	-	-
Interest due thereon remaining unpaid to any suppliers as at 31st March.	-	-
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006.	-	-
The amount of the payment made to the supplier beyond the appointed day during each accounting year in terms of section 16 of the MSMED Act, 2006.	-	-
The amount of interest due and payable for the period of delay in making payments.	-	-
The amount of interest accrued and remaining unpaid as at 31st March.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
Total	-	-

Note : The above information is compiled by the Company on the basis of the information made available by its vendors and the same has been relied upon by the Auditors.

18.2 Trade payables ageing as at 31-Mar-23

Particulars	Unbilled	Outstanding for following periods from due date of payment				
		< 1 year	1 - 2 years	2 - 3 years	>3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	1.72	7.81	-	-	-	9.53
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

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19 Other current financial liabilities

Particulars	As at 31-Mar-23	As at 31-Mar-22
Interest accrued and not due on borrowings	-	79.92
Employee benefits payable	4.77	-
Others	-	64.12
Total	4.77	144.03

20 Other current liabilities

Particulars	As at 31-Mar-23	As at 31-Mar-22
Statutory dues	7.81	11.41
Total	7.81	11.41

21 Short-term provisions

Particulars	As at 31-Mar-23	As at 31-Mar-22
Provision for employee benefits: (Unfunded) (Refer note no. 33)		
- Gratuity	0.01	-
- Bonus	2.44	-
- Leave encashment	1.39	-
Estimated cost of land *	1,394.00	1,394.00
Total	1,397.83	1,394.00

* Estimated cost of construction of area to be handed over.

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22 Other income

Particulars	For the financial year ended 31-March-2023	For the financial year ended 31-March-2022
Interest Income on financial assets at amortized cost (refer note no. 22.1 below)	79.11	5.26
Total	79.11	5.26

22.1

Particulars	For the financial year ended 31-March-2023	For the financial year ended 31-March-2022
Interest income on:		
Bank deposits	4.96	5.20
Auto-sweep bank deposits	6.57	-
Income tax refund	0.02	0.05
Loans given	67.56	-
Total	79.11	5.26

23 Land Cost

Particulars	For the financial year ended 31-March-2023	For the financial year ended 31-March-2022
Land premium	127.02	-
Total	127.02	-

24 Employee benefit expense

Particulars	For the financial year ended 31-March-2023	For the financial year ended 31-March-2022
Salaries, wages and bonus	45.95	25.54
Gratuity	2.42	-
Staff welfare expenses	5.25	-
Total	53.61	25.54

25 Finance costs

Particulars	For the financial year ended 31-March-2023	For the financial year ended 31-March-2022
Interest expense on:		
Financial liabilities at amortized cost	79.20	88.80
Total	79.20	88.80

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26 Other expenses

Particulars	For the financial year ended 31-March-2023	For the financial year ended 31-March-2022
Hardship compensation for shifting	355.74	442.05
Advertisement and publicity	4.49	2.56
Rates and taxes	4.08	0.03
Purchase of materials	6.30	26.94
Conveyance expenses	1.38	0.63
Labour job	44.81	56.25
Site expenses	26.34	25.19
Electricity charges	3.31	0.42
Legal & Professional fees	451.51	63.56
Rent- site office	12.00	3.00
Security service charges	12.24	13.86
Repairs & maintenance charges	0.15	0.10
Software charges	10.42	-
Donations	12.10	0.30
Transportation charges	1.99	1.15
ROC fees	0.07	0.03
Share issue expense	30.93	4.65
Brokerage for alternate accomodation	5.44	-
Approval Costs	14.67	-
Shifting Charges	4.40	-
Payments to auditors (refer note no.26.1 below)	0.64	0.69
Miscellaneous expenses	19.56	1.21
Total	**1,022.56**	**642.61**

26.1 Bifurcation of payment to auditors

Particulars	For the financial year ended 31-March-2023	For the financial year ended 31-March-2022
Payments to the auditors :		
As auditors - statutory audit	0.40	0.54
For taxation matters	0.24	0.15
Total	**0.64**	**0.69**

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27 Operating segments

The Company is in the business of real estate development which is the only reportable operating segment. Hence, separate disclosure requirements of Ind AS-108 Operating segments are not applicable.

28 Related party disclosure

As per Indian Accounting Standard 24 (Ind AS 24) 'Related Party Disclosures', the disclosures of related party and transactions with them are given below:

A List of related parties with whom transactions have taken place and their relationship:
a) Holding Company
DB Realty Limited

b) Key Management Personnel
Mr. Shravan Bali (Date of Appointment : 09.03.2022)
Mr. Ashwin Pariakar (Date of Appointment : 09.03.2022)
Mr. Atul Khedkar (Date of Appointment : 09.03.2022)
Mr. Jesing Kuman (Date of Resignation : 15.03.2022)

B. Transactions with Related Parties and outstanding balances as on 31.03.2023

Sr No	Description	Holding Company	Key Management Personnel	Total
1	**Transaction during the year**			
	Loan taken during the year (includes interest accrued on loan transferred to loan account)	50.40 (784.27)	- -	50.40 (784.27)
	Loan repaid during the year	- (734.50)	70.00 -	70.00 (734.50)
2	**Closing balance**			
	Loan	4,458.99 (4,408.59)	- (70.00)	4,458.99 (4,478.59)

* Accrued interest on loan transferred to loan account.

Notes :
1) Related parties have been identified by the management
2) Figures in bracket relates to the previous year

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29 Earnings per share:

The (Loss) considered in ascertaining the Company's Earnings Per Share comprises the net profit / (loss) after tax. The number of shares used in computing Basic and Diluted Earnings Per share is the weighted average number of shares outstanding during the period

Particulars	For the financial year ended 31-March-2023	For the financial year ended 31-March-2022
Net (Loss) after tax as per Statement of Profit & Loss	(102.61)	(18.93)
Weighted average number of shares outstanding	1,50,000	1,50,000
Basic & Diluted Earnings per Share	(68.41)	(12.62)
Face value per Equity Share	100	100

30 Deferred tax

As of year end, the Company has net deferred tax asset on account of unabsorbed depreciation and business losses. In view of uncertainty to its realisation, as a matter of prudence, the management of the Company has decided not to recognise such deferred tax asset in accordance with Ind AS -12 dealing with Accounting for Income Tax on Income.

31 Contingent liabilities and commitment :

Particulars	As at 31-Mar-23	As at 31-Mar-22
Contingent liabilities	Nil	Nil
Capital Commitment	Nil	Nil

Other commitments :

Includes obligations and commitments in accordance with the proposed scheme of redevelopment under the SRA scheme.

32 Financial instruments

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note no. 2.10 of the Ind AS financial statements.

32.1 Financial assets and liabilities:

The carrying value of financial instruments by categories as of 31-Mar-2023 were as follows:

Particulars	Amortised Cost	Carrying amount As at 31-March-2023
Financial assets:		
Cash and cash equivalents (refer note no.6)	145.34	145.34
Other balances with bank (refer note no. 7)	88.00	88.00
Loans (refer note no. 8)	1,260.81	1,260.81
Other financial assets (refer note no. 3 and 9)	32.83	32.83
Total	**1,526.98**	**1,526.98**
Financial liabilities:		
Borrowings (refer note no. 14 and 17)	9,443.48	9,443.48
Trade payables (refer note no. 18)	9.53	9.53
Other financial liabilities (refer note no. 19)	4.77	4.77
Total	**9,457.78**	**9,457.78**

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All amounts are in INR (lakhs), unless otherwise stated except equity share and per share data

The carrying value of financial instruments by categories as of 31-Mar-2022 were as follows:

Particulars	Amortised Cost	Carrying amount As at 31-March-2022
Financial assets:		
Cash and cash equivalents (refer note no.6)	289.69	289.69
Other balances with bank (refer note no. 7)	88.00	88.00
Other financial assets (refer note no. 3 and 9)	6.25	6.25
Total	**383.94**	**383.94**
Financial liabilities:		
Borrowings (refer note no. 14 and 17)	7,794.92	7,794.92
Trade payables (refer note no. 18)	-	-
Other financial liabilities (refer note no. 19)	144.03	144.03
Total	**7,938.96**	**7,938.96**

32.2 Financial risk management:

The Board of Directors reviews the risk management policy from time to time and the said policy aims at enhancing shareholders' value and providing an optimum risk-reward trade off. The risk management approach is based on clear understanding of variety of risk that the organisation faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk comprises two types of risk: interest rate risk and liquidity risk. Financial instruments affected by market risk include loans and borrowings.

(A) Interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. However, the Company does not have any borrowings with floating rate of interest and thus sensitivity analysis is not disclosed.

(B) Liquidity risk:

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans. The Company has access to a sufficient variety of sources of funding which includes funding from holding Company which is expected to be rolled over in case of any liquidity gap. Further, the Company is adequately supported by the holding Company to provide financial stability.

32.3 Capital management

DB Realty Limited, the holding company holds 50.40% of the equity share capital of the Company, accordingly, the management of its capital structure is controlled by the said holding company.

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33 Employee benefits expenses

The principal assumptions used for the purposes of actuarial valuations were as follows :

	For the financial year ended 31-March-2023
Discount rate	7.40%
Rate of increase in compensation levels	10.00%
Expected average remaining working lives of employees (in years)	6.87(*)
Withdrawal rate	
Age upto 30 years	10.00%
Age 31 - 40 years	10.00%
Age 41 - 50 years	10.00%
Age above 50 years	10.00%

* It is actuarially calculated term of the plan using probabilities of death, withdrawal and retirement.

Table showing changes in defined benefit obligations :	As at 31-Mar-23
Present value of obligation as at the beginning of the period	-
Interest expense	0.12
Current service cost	2.30
Present value of obligation as at the end of the period	2.42

The amounts to be recognised in the balance sheet:	As at 31-Mar-23
Present value of obligation as at the end of the period	2.42
Surplus / (deficit)	(2.42)
Current liability	0.01
Non-current liability	2.41
Net asset / (liability) recognised in the balance sheet	2.42

Reconciliation of net asset / (liability) recognised:	As at 31-Mar-23
Net asset / (liability) recognised at the beginning of the period	-
Expense recognised at the end of period	(2.42)
Amount recognised outside profit & loss for the year	-
Net asset / (liability) recognised at the end of the period	(2.42)

Net interest (income) / expense :	For the financial year ended 31-March-2023
Interest (income) / expense - obligation	0.12
Interest (income) / expense - plan assets	-
Net interest (income) / expense for the year	0.12

Break up of service cost :	For the financial year ended 31-March-2023
Current service cost	2.30

Remeasurements for the year (actuarial (gain) / loss) :	For the financial year ended 31-March-2023
Experience (gain) / loss on plan liabilities	2.42

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Expense recognised in the statement of profit and loss:	**For the financial year ended 31-March-2023**
Current service cost	2.30
Net interest (income) / expense	0.12
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	2.42

Average duration
Weighted average duration of the plan (based on discounted cash flows using interest rate, mortality and withdrawal) is 11.94 years.

Expected future benefit payments
The following benefits payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Year ended March 31,	Expected Benefit Payment (in Rs.)
2024	0.01
2025	0.02
2026	0.03
2027	0.04
2028	0.44
2029 - 2033	7.08

The above cashflows assumes future accruals.

Expected contributions for the next year
The plan is unfunded as on the valuation date.

Sensitivity analysis
Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

A) Impact of change in discount rate when base assumption is decreased / increased by 100 basis point

Discount rate	31/03/2023 Present value of obligation (in Rs.)
6.40%	2.61
8.40%	2.24

B) Impact of change in salary Increase rate when base assumption is decreased / increased by 100 basis point

Salary increment rate	31/03/2023 Present value of obligation (in Rs.)
9.00%	2.27
11.00%	2.58

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C) Impact of change in Withdrawal rate when base assumption is decreased / increased by 100 basis point

Withdrawal rate	31/03/2023 Present value of obligation (in Rs.)
9.00%	2.45
11.00%	2.39

Risk exposure and asset liability matching :
Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

Liability risks : -

Asset - liability mismatch risk
Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence, the companies are encouraged to adopt asset-liability management.

Discount rate risk
Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

Future salary escalation and inflation risk
Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Unfunded plan risk
This represents unmanaged risk and a growing liability. There is an inherent risk here that the Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in Company's financials and also benefit risk through return on the funds made available for the plan.

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34 Disclosure of ratios

Sr. no.	Particulars	Formula's used	Ratios As at 31-Mar-23	Ratios As at 31-Mar-22	Variance	Reason for variance
1	Current ratio (in times)	Current assets / Current liabilities	1.26	1.00	25.55%	Refer note below
2	Debt equity ratio (in times)	Total debt / Shareholder's Equity	10.65	2071.32	-99.49%	Refer note below
3	Debts services coverage ratio	Earning available for debt services / Debt services	NA	NA	NA	
4	Return on equity	Net profit after taxes / Average shareholders' equity	-0.28	-1.43	-80.50%	Refer note below
5	Inventory turnover ratio	Cost of goods sold or Sales / Average inventory	NA	NA	NA	
6	Trade receivable turnover ratio	Net credit sales / Average accounts receivables	NA	NA	NA	
7	Trade payable turnover ratio	Net credit purchase + other expenses / Average trade payable	NA	NA	NA	
8	Net capital turnover ratio	Net sales / Average Working capital	NA	NA	NA	
9	Net profit ratio	Net profit (after tax) / Net sales	NA	NA	NA	
10	Return on capital employed	Earning before interest and taxes / Capital employed	(0.01)	(0.00)	315.42%	Refer note below
11	Return on investment (in %)	Income generated from invested fund / Average invested fund	NA	NA	NA	

Note: The Company's project is at its initial stage and accordingly in the opinion of the Company, the above ratios are not comparable / applicable.

35 **Wilful defaulter**
As on 31 March, 2023 the Company has not been declared wilful defaulter by any bank/financial institution or other lender.

36 **Details of crypto currency or virtual currency**
The Company is not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.

37 **Registration of charges or satisfaction with Registrar of Companies (ROC)**
The Company does not have any charges or satisfaction yet to be registered with the ROC beyond the statutory period as at 31 March, 2023.

38 **Compliance with number of layers of companies**
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

39 **Utilisation of borrowed funds**
The Company has not advanced any funds or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

The Company has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

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40 **Borrowings secured against current assets**
The Company does not have borrowings secured against current assets and hence no disclosure is required.

41 **Benami property**
No proceedings have been initiated or are pending against the Company as on 31 March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

42 **Relationship with struck off companies**
The Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and hence no disclosure is required.

43 **Compliance with approved scheme(s) of arrangements**
Platinumcorp Affordable Builders Private Limited (the Transferor Company), and Royal Netra Constructions Private Limited (the Transferee Company) (collectively referred as "Applicant Companies") have filed a composite scheme of amalgamation and arrangement (the Scheme) with the Hon'ble National Company Law Tribunal ("NCLT"). The Hon'ble NCLT vide its order dated 20th January, 2023 had admitted the Scheme and had directed the Applicant Companies to issue notices to all relevant regulatory authorities in case of any representation to be made by them. Pursuant to the same, the said directions were complied with and both the Applicant Companies have filed joint affidavit of service dated 15th February, 2023 with the Hon'ble NCLT.
Further, the Applicant Companies have filed the scheme petition with the Hon'ble NCLT on 15th March, 2023 which has been admitted vide order dated 12th May, 2023 wherein the date of hearing and final disposal of the Scheme is fixed on 15th June, 2023.

44 **Non appointment of key managerial personnel**
As on 31st March, 2023, the Company being a subsidiary of DB Realty Limited it is a deemed public Company as per section 2(71) of the Act. The applicant companies have made an application of the scheme u/s. 230-232 of the Act with Hon' NCLT and the appointed date of the scheme is 1st April, 2022. The said scheme is scheduled for hearing and final disposal on 15th June, 2023. The Company is of the opinion that, the scheme will be approved and accordingly the Company will cease to be a subsidiary of DB Realty Limited with effect from 1st April, 2022.

Accordingly, the Company is of the opinion that it is not required to appoint key managerial personnel u/s. 203 of the Act the Company except whole-time Company Secretary. The Company is looking for and is in process of appointment of appropriate candidate as Company Secretary and will make necessary appointments upon scheme becoming effective.

45 Figures of the previous year have been regrouped/reclassified wherever necessary to conform to the presentation of the current year.

As per our attached report of even date

For M A Parikh Shah & Associates LLP
Chartered Accountants
Firm Registration No.: 107556W/W100897

M. A. PARIKH SHAH & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Dhaval B. Selwadia
Partner
Membership No: 100023

Place : Mumbai
Date : 29-05-2023

For Royal Netra Constructions Private Limited

Atul Khedkar
Director
DIN :09012446

Ashwin Parlakar
Director
DIN : 09527336

Place : Mumbai
Date : 29-05-2023

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