M A PARIKH SHAH & ASSOCIATES
(Formerly known as M A PARIKH & CO)
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of
Spacecon Realty Private Limited

Report on the Audit of Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Spacecon Realty Private Limited** ("the company"), which comprise the Balance Sheet as at 31st March, 2022, 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 (together 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, 2022, 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.

Material uncertainty related to going concern

4. The company is a subsidiary of D B Realty Limited, which has given financial commitment to infuse funds to meet the company's obligation. In the draft Independent Auditor's Report of the statutory auditors on the standalone / consolidated financial statements of D B Realty Limited, it is mentioned that various debt obligations within next 12 months are higher than the liquid current assets, which could result in significant uncertainty on the Group ability to meet these debt obligations and continue as going concern. It is also mentioned that the Management is addressing this issue robustly and during the year, has entered into one-time settlement with various lenders, raised funds through issue of convertible warrants, entered in development agreements / joint ventures to revive various projects which have significantly high growth potential. The Management is confident that they will be able to arrange sufficient liquidity by restructuring the existing terms of borrowings, monetization of non-core assets and mobilisation of additional funds. Accordingly, the standalone / consolidated financial statements of D B Realty Limited are prepared on a going concern basis. In view of the same, the financial statements of

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the company are prepared on a going concern basis.

Our opinion is not qualified in respect of matters 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* section, there are no other key audit matters to be communicated in our report.

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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with the Ind AS and 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 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

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

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 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.

- 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 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.

M. A. PARIKH SHAH & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

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) The matter described in the material uncertainty related to going concern paragraph above, in our opinion has an adverse effect on the functioning of the company.

(f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2022, from being appointed as a director in terms of Section 164(2) of the Act;

(g) 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;

(h) 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:

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year;

(i) 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 does not have any long-term contracts including derivative contracts and hence the question of making any provision, as required under any law or accounting standards, for material foreseeable losses does not arise.

(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

M.A. PARIKH SHAH & ASSOCIATES * CHARTERED ACCOUNTANTS MUMBAI 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, no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such 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.

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

M. A. PARIKH SHAH & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

Partner
Dhaval B. Selwadia
Membership No. 100023
UDIN: 22100023AJXQVN4952

Mumbai
Date: 30-05-2022

Spacecon Realty Private Limited

Annexure – A to the Independent Auditors' Report for the year ended 31st March, 2022
[Referred to in paragraph 7 under the heading "Report on other legal and regulatory requirements" of our report of even date]

(i) The company does not own any property, plant and equipment. Therefore, the requirements of paragraph 3(i) of the Order are not applicable.

(ii) (a) The company does not hold any inventory. Therefore, paragraph 3(ii)(a) of the Order is not applicable.

(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, paragraph 3(ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us, during the year, the company has not made any investments in or granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Therefore, the requirement of paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the company has not granted any loans or made investments or provided guarantees or security covered under section 185 and section 186 of the Act. Therefore, paragraph 3(iv) of the Order is not applicable.

(v) In our opinion, neither the company has not accepted any deposits nor there are any amounts which are deemed to be 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 maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) On the basis of our examination of records of the company, in respect of the amounts deducted/ accrued in the books of account, the company is regular in depositing the undisputed statutory dues including goods and service tax, income-tax and other applicable statutory dues with the appropriate authorities. There are no undisputed amounts payable in respect of the said statutory dues outstanding as at 31st March, 2022 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, sales tax, duty of custom, duty of excise, value added tax and cess.

(b) There are no disputes in respect of statutory dues as referred above. Therefore, paragraph 3(vii)(b) of the Order is not applicable.

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MUMBAI
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(viii) In our opinion, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.Therefore, paragraph 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, interest free borrowings which are repayable on demand (outstanding balance whereof is Rs. 846.39 lakhs as on 31st March, 2022) have not been demanded for repayment. Thus, we are of the opinion that the company has not defaulted in repayment of borrowings.

(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 taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Therefore paragraph 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not raised funds on short-term basis. Therefore, paragraph 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the company does not have any subsidiary, associate or joint venture. Therefore, paragraph, 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the company does not have any subsidiary, associate or joint venture. Therefore, paragraph, 3(ix)(f) of the Order is not applicable.

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

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, paragraph 3(x)(b) of the Order is not applicable.

(xi) (a) According to the information and explanations given by the management, and based on the procedures carried out during the course of our audit, no fraud by the company or on the company has been noticed or reported during the course of our audit. Therefore, paragraph 3(xi)(a) of the Order is not applicable.

(b) In view of our comments in clause (a) above, no report 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

(c) As represented by the management, no whistle blower complaints were received during the year.

(xii) In our opinion, the company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.

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(xiii) According to the information and explanations given to us and based on our examination of the records of the company, the related party transactions covered under section 188 of the Act, wherever applicable, have been disclosed in the financial statement in accordance with the requirements of Indian Accounting Standard 34 (refer note no. 12 of the accompanying audited financial statements). Provisions of section 177 of the Act as regards Audit Committee are not applicable to the company.

(xiv) Provisions of section 138 of the Act with regards to formal internal audit system are not applicable to the company. Therefore, paragraph 3(xiv) of the Order is not applicable.

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

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

(b) As represented by the management, the Group does not have any Core Investment Company. Therefore, paragraph 3(xvi)(d) of the Order is not applicable.

(xvii) The company has incurred cash losses in the financial year and in the immediately preceding financial year.

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

(xix) Other than as referred to in 'Material uncertainty related to Going Concern' paragraph in our main audit report and according to the information and explanations given to us and on 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to 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) The company has no unspent amount to be transferred to a fund specified in Schedule VII of the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the act. Therefore, paragraph 3(xx) of the Order is not applicable.

For M A Parikh Shah & Associates
Chartered Accountants
(Firm's Registration No. 107556W)

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

Partner
Name: Dhaval B. Selwadia
Membership No. 100023
UDIN: 22100023AJXQVN4952

Place: Mumbai
Date: 30-05-2022

Spacecon Realty Private Limited

Annexure – B to the Independent Auditors' Report for the year ended 31st March, 2022
[Referred to in paragraph 10(g) 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 **Spacecon Realty Private Limited** ("the company"), as of 31st March, 2022, 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, 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 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.

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

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Spacecon Realty Private Limited

Annexure – B to the Independent Auditors' Report for the year ended 31st March, 2022
[Referred to in paragraph 10(g) 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 **Spacecon Realty Private Limited** ("the company"), as of 31st March, 2022, 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, 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 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.

M A PARIKH SHAH & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

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
Chartered Accountants
Firm's Registration No. 107556W

M.A. PARIKH SHAH & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Partner
Dhaval B. Selwadia
Membership No. 100023
UDIN: 22100023AJXQVN4952

Mumbai
Date: 30-05ty-2022

Spacecon Realty Private Limited

Balance Sheet as at 31 March, 2022

CIN No. U45203MH2007PTC176104

All amounts are in INR (lakhs) otherwise stated

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I. ASSETS			
Current assets			
Financial assets			
Trade receivables	3	-	-
Cash and cash equivalents	4	0.21	0.23
		0.21	**0.23**
Total		**0.21**	**0.23**
II. EQUITY and LIABILITIES			
Equity			
Share capital	5	1.35	1.35
Other equity	6	(848.19)	(848.02)
		(846.84)	**(846.67)**
Current liabilities			
Financial liabilities			
Borrowings	7	846.39	846.32
Trade payables	8		
-Total outstanding dues of micro enterprises and small enterprises		0.60	0.48
-Total outstanding dues of creditors other than micro enterprises and small enterprises		0.06	0.10
		847.05	**846.90**
Total		**0.21**	**0.23**
Summary of significant accounting policies	2		
Refer accompanying notes. These notes are an integral part of the financial statements.	1-27		

As per our report of even date attached

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

Dhaval B. Selwadia
Partner
Membership No. 100023

Place : Mumbai
Date : 30th May, 2022

M A PARIKH SHAH & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

For and on behalf of Board of Directors

Satish Agarwal
Director
DIN: 02099862

Nabil Patel
Director
DIN: 00298093

Place : Mumbai
Date : 30th May, 2022

Spacecon Realty Private Limited

Statement of profit and loss for the year ended 31 March, 2022

CIN No. U45203MH2007PTC176104

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

	Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
I	Revenue from operations		-	-
II	Other income		-	-
III	**Total income (I + II)**		**-**	**-**
IV	**Expenses**			
	Other expenses	9	0.17	0.14
	Total expenses (IV)		**0.17**	**0.14**
V	**Loss before tax (III - IV)**		**(0.17)**	**(0.14)**
VI	**Tax expense**	11		
	Current tax		-	-
	Deferred tax		-	-
			-	-
VII	**Loss for the year (V - VI)**		**(0.17)**	**(0.14)**
VIII	**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		**-**	**-**
IX	**Total comprehensive income for the year (VII + VIII)**		**(0.17)**	**(0.14)**
X	**Earnings per equity share - basic and diluted (Rs.) (Face value of Rs. 10/- each)**	13	**(1.26)**	**(1.04)**
	Summary of significant accounting policies	2		
	Refer accompanying notes. These notes are an integral part of the financial statements.	1-27		

As per our report of even date attached
For M A Parikh Shah & Associates
Chartered Accountants
Firm Registration No.: 107556W

M A PARIKH SHAH & ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

Dhaval B. Selwadia
Partner
Membership No. 100023

Place : Mumbai
Date : 30th May, 2022

For and on behalf of Board of Directors

Satish Agarwal
Director
DIN: 02099862

Nabil Patel
Director
DIN: 00298093

Place : Mumbai
Date : 30th May, 2022

Spacecon Realty Private Limited

Cash Flow Statement for the Year Ended 31 March, 2022

CIN No. U45203MH2007PTC176104

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

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flow from operating activities**		
	(Loss) as per statement of profit and loss	(0.17)	(0.14)
	Non-cash adjustment to loss	-	-
		(0.17)	**(0.14)**
	Change in operating assets and liabilities:		
	Increase / (Decrease) in trade payables	0.08	0.10
	Cash generated from operations	**(0.09)**	**(0.04)**
B	**Cash flow from financing activities**		
	Borrowings obtained (net)	0.07	0.03
	Net cash flow from financing activities	**0.07**	**0.03**
	Net (decrease) in cash & cash equivalents (A+B)	**(0.02)**	**(0.01)**
	Cash and cash equivalent at the beginning of the year	0.23	0.24
	Cash and cash equivalent at the end of the year	**0.21**	**0.23**
	Breakup of cash and cash equivalents		
	Cash in hand	0.05	0.06
	Balance with banks	0.16	0.17
		0.21	**0.23**

Notes :

(a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, "Statement of Cash Flows" as notified under Companies (Accounts) Rules, 2015.

(b) Refer note no.16 for reconciliation of liabilities arising from financing activities

The above Cash Flow should be read in conjunction with the accompanying notes

As per our report of even date attached
For M A Parikh Shah & Associates
Chartered Accountants
Firm Registration No.: 107556W

Dhaval B. Selwadia
Partner
Membership No. 100023

Place : Mumbai
Date : 30th May, 2022

M A PARIKH SHAH & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

For and on behalf of Board of Directors

Satish Agarwal
Director
DIN: 02099862

Nabil Patel
Director
DIN: 00298093

Place : Mumbai
Date : 30th May, 2022

Spacecon Realty Private Limited

Statement of Changes in Equity for year ended 31 March, 2021

CIN No. U45203MH2007PTC176104

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

A. Equity share capital

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year /(buy-back of shares)	Balance at the end of the reporting period
Year ended 31 March, 2022	1.35	-	-	-	**1.35**
Year ended 31 March, 2021	1.35	-	-	-	**1.35**

B. Other equity

Particulars	Reserves and Retained Earnings	Total
Balance as at 1 April, 2020	**(847.88)**	**(847.88)**
Add: Changes in accounting policy or prior period error	-	-
(Loss) for the year ended 31 March, 2021	(0.14)	**(0.14)**
Balance as at 31 March, 2021	**(848.02)**	**(848.02)**
Add: Changes in accounting policy or prior period error	-	-
(Loss) for the year ended 31 March, 2022	**(0.17)**	**(0.17)**
Balance as at 31 March, 2022	**(848.19)**	**(848.19)**

Note : There are no elements of other comprehensive income.

Summary of significant accounting policies	2
Refer accompanying notes. These notes are an integral part of the financial statements.	1-27

As per our report of even date attached
For M A Parikh Shah & Associates
Chartered Accountants
Firm Registration No.: 107556W

M A PARIKH SHAH & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Dhaval B. Selwadia
Partner
Membership No. 100023

Place : Mumbai
Date : 30th May, 2022

For and on behalf of Board of Directors

Satish Agarwal
Director
DIN: 02099862

Nabil Patel
Director
DIN: 00298093

Place : Mumbai
Date : 30th May, 2022

1 Company overview

1.01 Spacecon Realty Private Limited (the "company") is incorporated and domiciled in India. The company is engaged in business of construction and development of real estate. The company had bid for development of the Government Colony Plot "Part - I " in Bandra (East); however, the tender allotted was cancelled by the P.W.Department on 26.02.2015. In view of the same, it wrote off the cost of Rs. 47,115.16 lakhs to the statement of profit and loss. There are no disputes subsisting in this regard. The company has no other business plans. The holding company has given financial commitment to infuse funds to repay the third party liabilities and hence the financial statements of the company are continued to be prepared on a going concern basis.

1.02 The company, is a subsidiary of D B 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 DB Central, Maulana Azad Road, Rangwala Compound, Jacob Circle, Opp HP Petrol Pump, Gate no 3 of Raheja Vivarea next to Kalpataru Heights, Mahalaxmi, Mumbai - 400 011.

1.03 The company's financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 30th May, 2022 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 applied in the preparation and presentation of the financial statements

2.01 Basis of preparation and measurement

(a) Basis of preparation -

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupee ("INR"), the functional currency of the company. Items included in the financial statements of the company are recorded using the currency of the primary economic environment in which the company operates (the 'functional currency').

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.

(b) Basis of measurement

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. 2.03 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.

M A PARIKH SHAH & ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

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.

2.02 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 and non-current classification as per company's normal operating cycle and other criteria set out in Schedule III of the Act.

Based on the nature of activity and the time between the acquisition of assets for processing 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.

2.03 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.

Financial assets

(i) 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.

(ii) Subsequent measurement –

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

(i) Financial assets at Amortised Cost.

(ii) Financial assets at Fair Value through Other Comprehensive Income. (FVTOCI)

(iii) Financial assets at Fair Value through Statement of Profit and Loss. (FVTPL)

<u>Financial assets at amortized cost</u>

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) 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.

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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.

(a) 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.

(b) 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 which are not measured on amortised cost and FVTOCI are measured at fair value through profit or loss.

(iii) 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:

(a) The rights to receive cash flows from the asset have expired, or

(b) 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 of the asset, or
- the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities –

(i) 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.

(ii) Subsequent measurement -

This is dependent upon the classification thereof as under :

(i) At amortised cost

(ii) At fair value through profit and loss

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.

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(iii) 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.

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.

2.04 Impairment of non financial assets

Carrying amount of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication that those asset have suffered as impairment loss. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or the value in use. Value in use is the present value of the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged from when an asset is identified as impaired. The impairment loss recognised in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.05 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.

(ii) Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and its tax base.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

M A PARIKH SHAH & ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

2.06 Provisions and contingent liabilities :

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.

2.07 Exceptional items :

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.08 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.

M A PARIKH SHAH & ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

2.09 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.

2.10 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.

2.11 Commitments :

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

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

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

2.12 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.

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

(Trade receivable which has become overdue for which expected credit loss has been made for the entire amount on account of uncertainty as regards its recoverability (refer note no.3).

2.13 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole company as one segment of "Real Estate Development".

2.13 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 has 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.

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

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs for impairment calculation. Based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Deferred tax assets

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

Fair value measurements

When the fair values of the financial assets and liabilities recorded in the Balance Sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgement is required in establishing fair values. Any changes in assumptions could affect the fair value relating to financial instruments.

2.14 Recent accounting pronouncements : Ind AS modified but not effective as at Balance Sheet date

The following standards modified by MCA become effective w.e.f. 1st April 2022.

Particulars	Effective date
Modification to existing Ind Accounting Standard	
Ind AS 101 - First-time Adoption of Indian Accounting Standards	1st April, 2022
Ind AS 103 - Business Combinations	1st April, 2022
Ind AS 109 - Financial Instruments	1st April, 2022
Ind AS 16 - Property, plant and equipment	1st April, 2022
Ind AS 37 - Provisions, contingent liabilities and contingent assets	1st April, 2022
Ind AS 41 - Agriculture	1st April, 2022

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.

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

Spacecon Realty Private Limited

Notes forming a part of Financial Statements
All amounts are in INR (lakhs) otherwise stated, except per equity share data

3 Current financial assets - trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables - credit impaired	39.34	39.34
Less: allowances for bad and doubtful debts (refer note no. 3.1)	(39.34)	(39.34)
Total	-	-

3.1 Movement in allowances for bad and doubtful debts is as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	39.34	39.34
(Reversed) / recognised during the year	-	-
Balance at the end of the year	**39.34**	**39.34**

3.2 Trade Receivables Ageing Schedule as at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	<6 months	6 months - 1 year	1 - 2 years	2 - 3 years	>3 years	Total
(i) Undisputed trade receivables - considered good	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	39.34	**39.34**
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	-	**39.34**	**39.34**

3.3 Trade receivables ageing schedule as at 31 March, 2021

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	<6 months	6 months - 1 year	1 - 2 years	2 - 3 years	>3 years	Total
(i) Undisputed trade receivables - considered good	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	39.34	**39.34**
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	-	**39.34**	**39.34**

4 Cash and cash equivalents :

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks	0.16	0.17
Cash on hand	0.05	0.06
Total	**0.21**	**0.23**

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

Spacecon Realty Private Limited

Notes forming a part of Financial Statements

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

5 Equity share capital :

Particulars	As at 31 March 2022	As at 31 March 2021
Authorized		
10,00,000 (Previous year 10,00,000) equity share capital of Rs.10/- each	100.00	100.00
20,00,000 (Previous year 20,00,000) compulsorily convertible cumulative preference shares ('CCCPS') of Rs.10/- each	200.00	200.00
	300.00	**300.00**
Issued		
13,514 (Previous year 13,514) equity share capital of Rs.10/- each	1.35	1.35
	1.35	**1.35**
Subscribed and paid up		
13,514 (Previous year 13,514) equity share capital of Rs.10/- each fully paid up	1.35	1.35
Total	**1.35**	**1.35**

5.1 Rights, preferences and restrictions attached to equity shares :

The company has only one class of equity share having a par value of Rs.10 per share. Each holder of equity share is entitled for one vote per share. Accordingly, all equity shares rank equally with regards to dividends and share in the company's residual assets. The equity share-holders are entitled to receive dividend as and when declared.

On winding up of the company, the holder's of equity shares will be entitled to receive the residual assets of the company after distribution of all preferential amounts in proportion to the number of equity shares held.

5.2 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 31st March, 2021			
-Number of equity shares	13,514	-	13,514
-Amount	1.35	-	1.35
Year ended 31st March, 2022			
-Number of equity shares	13,514	-	13,514
-Amount	1.35	-	1.35

5.3 Details of equity shares held by the holding company -

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity Shares of Rs. 10/- each D B Realty Limited (and its nominees)	10,000	74.00%	10,000	74.00%

5.4 Details of shareholders holding more than 5% of the aggregate equity shares in the company :

Name of the Shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
D B Realty Limited (and its nominees)	10,000	74.00%	10,000	74.00%
Eversmile Construction Company Private Limited	3,514	26.00%	3,514	26.00%
Total	13,514	100.00%	13,514	100.00%

5.5 Details of shareholding of promoters in the company -

Name of the Shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
D B Realty Limited (and its nominees)	10,000	74.00%	10,000	74.00%

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Spacecon Realty Private Limited

Notes forming a part of Financial Statements
All amounts are in INR (lakhs) otherwise stated, except per equity share data

6 Other equity :

Particulars	As at 31 March 2022	As at 31 March 2021
Reserves and surplus		
Retained earnings		
Balance at the beginning of the year	(848.02)	(847.88)
Add : (Loss) for the year	(0.17)	(0.14)
Balance at the end of the year	(848.19)	(848.02)
Total	**(848.19)**	**(848.02)**

7 Current financial liabilities - Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured loans :		
'- From holding company (*)	72.39	72.32
'- From a fellow subsidiary	774.00	774.00
Total	**846.39**	**846.32**

(*) Loans are interest free and repayable on demand

8 Current financial liabilities - Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note no.8.3)	0.60	0.48
- Total outstanding dues of creditors other than micro enterprises and small enterprises	0.06	0.10
Total	**0.66**	**0.58**

8.1 Trade payables ageing as at 31 March, 2022

Particulars	Unbilled	Outstanding for following periods from due date of payment				
		< 1 year	1 - 2 years	2 - 3 years	>3 years	Total
(i) MSME	-	0.12	0.25	0.06	0.18	0.60
(ii) Others	-	-	-	-	0.06	0.06
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

8.2 Trade payables ageing as at 31 March, 2021

Particulars	Unbilled	Outstanding for following periods from due date of payment				
		< 1 year	1 - 2 years	2 - 3 years	>3 years	Total
(i) MSME	-	0.25	0.06	0.18	-	0.48
(ii) Others	-	0.02	0.01	-	0.07	0.10
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

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

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount outstanding to suppliers under MSMED Act, 2006	0.60	0.48
Principal amount outstanding to suppliers under MSMED Act,2006 beyond the appointed date.	0.48	0.23
Interest accrued on the amount due to suppliers under MSMED Act on the above amount.	-	-
Payment made to suppliers (other than Interest) beyond the appointed date during the year.	-	-
Interest paid to suppliers under MSMED Act. (other than section 16)	-	-
Interest paid to suppliers under MSMED Act. (section 16)	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	-	-

Disclosures relating to amounts payable as at the year end together with interest paid / payable to Micro and Small Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the company determined on the basis of intimation received from suppliers regarding their status. The same has been relied upon by the Auditors.

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Notes forming a part of Financial Statements
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9 Other expenses :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Legal and professional fees (net of write back) (refer note no. 9.1)	0.15	0.10
Profession tax	-	0.03
Bank charges	0.02	0.00
Miscellaneous expenses	-	0.01
Total	**0.17**	**0.14**

9.1 Payment to auditors

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
- Audit fees	0.12	0.12
- Reimbursement of expenses	-	0.01
Total	**0.12**	**0.13**

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10 Contingent liabilities and commitments

Particulars	As at 31 March, 2022	As at 31 March, 2021
i) Contingent liabilities	Nil	Nil
ii) Commitments	Nil	Nil

During the year, income tax authorities carried out search operation at registered office of the company and at the premises of the KMP's of D B Realty Limited. Certain documents [including back-up of accounting software] are taken by the department. In view of ongoing proceedings, the company is not in a position to ascertain the possible liability, if any.

11 As of year end, the company has net deferred tax asset, The company has decided not to recognise the same as no business operations are expected in foreseeable future. Such non recognition is in accordance with Ind AS -12 dealing with Accounting for Income Tax on Income.

12 **Related party disclosures :**
As per Indian Accounting Standard 24 (Ind AS 24) 'Related Party Disclosures', the disclosure of transactions with the related parties as defined in Ind AS 24 is given below :

12.1 **List of related parties with whom transactions have taken place and their relationship :**

Name of the related party	Relationship
D B Realty Limited	Holding
Conwood DB JV	Fellow subsidiary
MIG (Bandra) Realtors & Builders Private Limited	Fellow subsidiary

12.2 **Transactions with related parties :**

Particulars	Holding company	Fellow subsidiary
Loans taken during the year	0.07	-
	(0.03)	-

12.3 **Outstanding balances as of year end :**

Particulars	Holding company	Fellow subsidiary
Loans taken	72.32	774.00
	(72.29)	*(774.00)*

Notes :
Previous year figures are denoted in brackets and italics.
The aforesaid related parties are as identified by the company and relied upon by the Statutory Auditors.

13 **Earnings per share**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Loss for the year as per statement of profit and loss (Amount in lakhs)	(0.17)	(0.14)
Weighted average number of shares outstanding during the year (Number)	13,514	13,514
Basic and diluted earnings per share (Amount in rupees)	(1.26)	(1.04)
Face value per equity share (Amount in rupees)	10.00	10.00

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

14 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 Segment are not applicable.

15 Financial instruments

Accounting classifications and fair value measurements

The significant accounting policies, including the criteria of recognition, the basis of measurement and the on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2.03 of the Ind AS financial statements.

15.1 Financial assets and liabilities :

The carrying value of financial instruments by categories as of 31 March, 2022 are as follows :

Particulars	Note no.	Amortised cost	Carrying amount as at 31 March, 2022
Financial assets :			
Trade receivables	3	-	-
Cash and cash equivalents	4	0.21	0.21
Total		**0.21**	**0.21**
Financial liabilities :			
Borrowings	7	846.39	846.39
Trade payables	8	0.66	0.66
Total		**847.05**	**847.05**

The carrying value of financial instruments by categories as of 31 March, 2021 were as follows :

Particulars	Note no.	Amortised cost	Carrying amount as at 31 March, 2021
Financial assets :			
Trade receivables	3	-	-
Cash and cash equivalents	4	0.23	0.23
Total		**0.23**	**0.23**
Financial liabilities :			
Borrowings	7	846.32	846.32
Trade payables	8	0.58	0.58
Total		**846.90**	**846.90**

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MUMBAI
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15.2 Financial risk management :

At present, the company's financial obligation is met by a fellow subsidiary company and the holding company by providing interest free loans. Therefore, the risk management policy as adopted by the holding company is adhered to by the company.

15.2.1 Liquidity risk :

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March, 2022

Particulars		Amount payable during below period			
	As at 31 March 2022	Within 1 year	1-2 years	2-5 years	More than 5 years
Liabilities:					
Trade payables	0.66	0.66	-	-	-

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March, 2021

Particulars		Amount payable during below period			
	As at 31 March 2021	Within 1 year	1-2 years	2-5 years	More than 5 years
Liabilities:					
Trade payables	0.58	0.58	-	-	-

In above tables, the company's borrowings from a fellow subsidiary company and its holding company are not considered as financial obligation, being the source, as of now, to meet it's financial obligations.

15.3 Capital management:

D B Realty, the holding company holds 74% of the equity share capital of the company, accordingly, the management of its capital structure is controlled by the said holding company.

16 Reconciliation of liabilities arising from financing activities :

Particulars	Opening balance	Cash movement	Fair value changes	Others	Total
As on 31st March, 2022					
Borrowings	846.32	0.07	-	-	846.39
Total	**846.32**	**0.07**	**-**	**-**	**846.39**
As on 31st March, 2021					
Borrowings	846.29	0.03	-	-	846.32
Total	**846.29**	**0.03**	**-**	**-**	**846.32**

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Spacecon Realty Private Limited
Notes forming a part of Financial Statements
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17 Disclosure of ratios

Sr. no.	Particulars	Formula's used	Ratios		Variance (%)	Reason for variance (refer notes
			As at 31 March, 2022	As at 31 March, 2021		
1	Current ratio	Current assets / Current liabilities	0.00	0.00	-8.71%	NA
2	Debt-equity ratio	Total debt / Share capital	(1.00)	(1.00)	-0.01%	NA
3	Debts service coverage ratio	Earning available for debt services / Debt services	NA	NA	NA	NA
4	Return on equity	Net profit after taxes / Average share capital	0.00	0.00	21.41%	NA
5	Inventory turnover ratio	Cost of goods sold or Sales / Average inventory	NA	NA	NA	NA
6	Trade receivable turnover ratio	Net credit sales / Average accounts receivables	NA	NA	NA	NA
7	Trade payable turnover ratio	Operating Expenses + Other Expenses / Average trade payable	0.26	0.24	6.71%	NA
8	Net capital turnover ratio	Net sales / Working capital	NA	NA	NA	NA
9	Net profit ratio	Net profit (after tax) / Net sales	NA	NA	NA	NA
10	Return on capital employed	Earning before interest and taxes / Capital employed	0.38	0.40	-5.56%	NA
11	Return on investment (in %)	Income from invested funds / Average invested funds	NA	NA	NA	NA

18 Wilful defaulter

As on 31 March, 2022 the company has not been declared wilful defaulter by any bank/financial institution or other lender.

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19 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.

20 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 registrar of companies(ROC) beyond the statutory period as at 31 March, 2022.

21 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.

22 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.

23 Borrowings secured against current assets
The company does not have borrowings secured against current assets and hence no disclosure is required.

24 Benami property
No proceedings have been initiated or are pending against the company as on 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

25 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.

26 Compliance with approved scheme(s) of arrangements
The company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

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

As per our report of even date attached
For M A Parikh Shah & Associates
Chartered Accountants
Firm Registration No.: 107556W

Dhaval B. Selwadia
Partner
Membership No. 100023

M A PARIKH SHAH & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 30th May, 2022

For and on behalf of Board of Directors

Satish Agarwal
Director
DIN: 02099862

Nabil Patel
Director
DIN: 00298093

Place : Mumbai
Date : 30th May, 2022