# MALNAD PROJECT (I) PRIVATE LIMITED
# (FORMERLY KNOWN AS **KUMAR HOUSING TOWNSHIP PRIVATE LIMITED)**

**CIN:** U45100PN2017PTC170130

# ANNUAL REPORT
# FY 2023-24

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# CORPORATE INFORMATION

| | |
|---|---|
| **Board of Directors** | Mr. Manish Jain (DIN: 00037571)<br>Mr. Yogesh Bhave (DIN: 03631534) |
| **Company Secretary and Compliance Officer** | Ms. Komal Jagdale |
| **Statutory Auditors** | M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration Number: 324982E/E300003) |
| **Registered Office** | 2nd Floor, Parmar House, 2413, East Street, Camp, Pune – 411001 |

# NOTICE

Shorter Notice is hereby given that the 7th Annual General Meeting (AGM) of the Members of **MALNAD PROJECT (I) PRIVATE LIMITED** (Previously Kumar Housing Township Private Limited) (the "Company") will be held on **Friday, 27th September, 2024** at 11:00 a.m. at the Registered Office of the Company situated at 2nd Floor, Parmar House, 2413, East Street, Camp, Pune – 411001 to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

2. To consider the re-appointment of Auditor of the Company and to fix their remuneration, and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013 read with the companies (Audit & auditors) Rules, 2014 and other applicable provisions, if any, S.R.B.C & CO. LLP, Chartered Accountants Firm Registration Number (FRN): 324982E/E300003 be and is hereby re-appointed as Statutory Auditors of the Company, for the further period of 5 years commencing from the conclusion of this 07th Annual General Meeting till the conclusion of consecutive 12th Annual General Meeting to be held in the calendar year 2029.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors and to do all the necessary acts, deeds, things and matter."

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By and on behalf of the Board of Directors
For **MALNAD PROJECT (I) PRIVATE LIMITED**
**(Previously Kumar Housing Township Private Limited)**

K.V. Jagdale

Malnad Project (I) Private Limited ★ PUNE

**KOMAL JAGDALE**
**Company Secretary and Compliance Officer**

**Date:** 18.09.2024
**Place:** Pune

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF / HERSELF / ITSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A COPY OF PROXY FORM HAS BEEN ENCLOSED HEREWITH.**

2. **THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LATER THAN 48HOURS BEFORE THE COMMENCEMENT OF THE AGM.**

3. A Member holding more than 10% of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such a person shall not act as proxy for any other person or Member.

4. Members/ proxies are requested to bring duly filled in Attendance Slip along with their copies of the AGM Notice and Annual Report of the Company to the AGM. Members / Proxies / Authorised Representatives should carry valid ID proof such as PAN, Voter ID, Passport, Driving License, Aadhar card etc. along with duly filled Attendance Slip enclosed herewith for attending the AGM.

5. Members are requested to update their email addresses, with the Company, to enable the Company to send communications electronically.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which Directors are interested, under Section 189 of the Act, will be available for inspection at the AGM.

7. All documents referred to in the accompanying Notice shall be open for inspection by Members, physically or in electronic form, at the Registered Office of the Company on all working days (except Sunday) between 09.00 a.m. and 05.00 p.m. up to the date of AGM. The aforesaid documents are also available for inspection at the AGM.

8. Members desiring any information relating to the financial statements of the Company are requested to write to the Company at an early date, so as to enable the Company to keep the information ready at the AGM.

****

Malnad Project (I) Private Limited
PUNE

## ATTENDENCE SLIP

***(Please complete this attendance slip and hand it over at the entrance of the Hall)***

I hereby record my presence at the 07th AGM of the Members of **Malnad Project (I) Private Limited(Previously Kumar Housing Township Private Limited)** held on **Friday, 27th September, 2024** at 11:00 a.m. at the Registered Office of the Company situated at **2nd Floor, Parmar House, 2413, East Street, Camp, Pune – 411001.**

| |
|---|
| Folio No: |
| Full Name of the Shareholder in Block Letters: |
| No. of Shares held : |
| Name of Proxy (if any) in Block Letters : |

Signature of the Shareholder/Proxy*

NOTES:

1. Please fill up the attendance slip and hand it over at the entrance of the Meeting hall. Only Member// Proxy Holder can attend the Meeting.

* Strike out whichever is not applicable.

## FORM NO. MGT-11

## PROXY FORM

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

Name of the member:

Registered Address:

Email ID :

Folio No./Client ID:

DP ID:

I/We, being the Member (s) of ............ shares of the above name Company, hereby appoint:

Name:

Address:

Email ID:

Signature:

Or Failing him/her

Name:

Address:

Email ID:

Signature:

Project (I) Private Limited PUNE

Or Failing him/her

Name:

| |
|---|
| Address: |
| Email ID: |
| Signature: |

as my/our proxy to attend and vote for me/us and on my/our behalf at the 07th Annual General Meeting of the Company, to be held on **Friday, 27th September, 2024** at 11:00 a.m. at the Registered Office of the Company situated at **2nd Floor, Parmar House, 2413, East Street, Camp, Pune – 411001** and at any adjournment thereof in respect of such resolutions as are indicated below:

| **Sr. No.** | **Resolutions** |
|---|---|
| | |
| | **ORDINARY BUSINESSES** |
| 1. | To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended **31st March, 2024**, together with the Reports of the Board of Directors and the Auditors thereon. |
| 2. | To consider the re-appointment of Auditor of the Company and to fix their remuneration. |

Signed this ____day of __________ 2024

Affix Revenue Stamp

Signature of shareholder:

Signature of proxy holder (s):

# DIRECTORS' REPORT

To
The Members,
**Of Malnad Project (I) Private Limited (the "Company")**
**(Previously Kumar Housing Township Private Limited)**

The Board of Directors hereby presents the 7th (Seventh) Board's Report of the Company along with the Audited Financial Statements for the financial year ended **31st March, 2024 (herein after referred as the "year"/ "financial year").**

## FINANCIAL RESULTS:

The financial results of the Company for the year under review as compared to the previous year are as under:

(Rupees in lakhs)

| Particulars | Financial Year 2023-24 | Financial Year 2022-23 |
|---|---|---|
| **Revenue from Operations** | 60.00 | - |
| **Other Income** | 4,261.06 | 796.36 |
| **Total Income** | 4,321.06 | 796.36 |
| **Total Expenses** | 14,925.75 | 12,316.66 |
| **Loss before tax** | (10,604.69) | (11,520.30) |
| **Tax expense/ (Credit)** | 629.36 | (2,886.45) |
| **Loss for the year** | (11,234.05) | (8,633.85) |
| **Earnings per share of Rs. 10/- each** | (1,112.28) | (854.84) |

The highlights of the Company's performance during the year on as compared to the previous year are as under:

- During the year under review, the Company has generated revenue from operations of Rs. 60 lakhs as compared to nil revenue in the previous year.
- The net losses of the Company is Rs. 11,234.05 lakhs in the current year as compared to net loss of Rs. 8,633.85 lakhs in the previous year.

Your Directors are taking continous efforts and are positive that the Company will achieve better results in the years to come.

## CURRENT SCENARIO, STATE OF AFFAIRS AND FUTURE PROSPECTS

- The Regional Director, Mumbai vide order dated 23rd June, 2023 approved scheme of Amalgamation of Malnad Projects Private Limited ("Transferor Compannny) into Kumar Housing Township Private Limited (Now known as Malnad Project (I) Private Limited) ("Transferre Company/Resultant Entity") with effect from 01stApril, 2022, the appointed date.
- The Board of Directors and the shareholders at their respective meetings held on 05thJuly, 2023 passed the resolution to approve the change of name of the Company from **"Kumar Housing Township Private Limited"** to **"Malnad Project (I) Private Limited"**which was approved by the Central Government (Authority delegated to the Registrar of Companies) on 17th July, 2023.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

The Company has not changed its nature of business during the financial year 2023-24.

## MATERIAL CHANGES AND COMMITMENTS,IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSE OF FINANCIAL YEAR

There are following material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report- -

1. The Company has made an application to Stock Exchange for Prior approval under Regulation 59 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for amendment(s) in the terms and conditions of Debenture Trust Deed dated 15th March, 2021 executed in respect of issue and allotment of 4,90,000 Rated, Listed, Redeemable, Unsecured Non-Convertible Debentures by the Company under ISIN INE0H2C08018 to Mr. Manish Jain (The Debenture Holder), whereby it was proposed in the said application that no interest shall accrue or become due or liable to be paid on the NCDs that were held by Mr. Manish Jain (Debenture Holder) for a period starting from 1st April 2023 to the Final Redemption Date, pursuant to the approval of the Board of Directors, Shareholders, Debenture Trustees, Debenture Holderand the external Lenders of the Company. Therefore, The Bombay Stock Exchange ("BSE") granted its in-principle approval to the Company vide letter DCS/COMP/AA/IP/27/24-25 dated 19thJuly, 2024 for the proposed modification, stating therein that the proposed modification will be approved subject to fulfilment of the conditions stated under the said in principal approval letter. The Company has accordingly submitted its application to BSE for its final approval, on 23rdAugust, 2024, after fulfilling all the terns and conditions mentioned to the in principal approval letter.

2. The Company has redeemed 863,640 secured, redeemable, unrated, unlisted, zero coupon, non-convertible debentures (NCDs) having ISIN INE0H2C07028 on 24thJune, 2024, out of the total 35,00,000 NCDs issued to HDFC CAPITAL AFFORDABLE REAL ESTATE FUND-1 ("Debenture Holders), and the same debentures is debited to the account(s) in the NSDL system.

## DIVIDEND

Due to losses incurred in the Company, the Directors do not recommend any dividend for the financial year 2023-24.

## TRANSFER TO RESERVES

During the financial year under review, no amount was proposed to be transferred to any reserves.

## DEPOSITS

During the financial year, the Company has not invited, accepted or renewed any Fixed Deposit from public and accordingly the provisions of Section 73 to 76 of the Companies Act, 2013 are not applicable to the Company.

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

During the year under review, M/s Malnad Projects Private Limited has ceased to be a subsidiary company vide merger order received from the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai dated 23rd June, 2023 being effective date as 1st April, 2022.

The Company does not have any Subsidiary, Associate/Joint venture at the end of financial year.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements **[see note number 34(c) and 36]** provided in this Annual Report.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The related party transactions that were entered into by the Company during the financial year were in the ordinary course of business and at arm's length basis.The details of such contracts or arrangement are provided in Form AOC-2 as**"Annexure I"** to this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### Composition of Board of Directors and KMP

During the financial year under review, there was no change in composition of Board of Directorsand KMP of the Company.

As on 31st March, 2024, the Board of Directors and KMP of the Company comprises as follow:

| Sr. No. | Name of the Director | Designation |
|---|---|---|
| 1. | Manish Jain (DIN: 00037571) | Director |
| 2. | Yogesh Bhave (DIN: 03631534) | Director |
| 3. | Komal Jagdale | Company Secretary and Compliance Offiecr |

None of the Directors of the Company is liable to retire by rotation.

Further, being Private Limited Company, your Company does not require constituting any mandatory Committees of the Board.

## NUMBER OF MEETINGS OF THE BOARD

During the year 12 (Twelve) Board Meetings were convened and held.

**Board Meetings held during the Year**

| Sr. No. | Dates on which Board Meetings were held | Total Strength of the Board | No. of Directors present |
|---|---|---|---|
| 1. | 03rd June, 2023 | 2 | 2 |
| 2. | 30th June, 2023 | 2 | 2 |
| 3. | 05th July, 2023 | 2 | 2 |
| 4. | 31st July, 2023 | 2 | 2 |
| 5. | 17th August, 2023 | 2 | 2 |
| 6. | 12th September, 2023 | 2 | 2 |
| 7. | 29th September, 2023 | 2 | 2 |
| 8. | 09th November, 2023 | 2 | 2 |
| 9. | 23rd November, 2023 | 2 | 2 |
| 10. | 17th January, 2024 | 2 | 2 |
| 11. | 12th February, 2024 | 2 | 2 |
| 12. | 01st March, 2024 | 2 | 2 |

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and(5) of the Act, your directors state as under:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper justification to the material departures;

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the Profit andLossof the Company for that period;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors had prepared the annual accounts on a going concern basis;

e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company for the financial year ended 31st March, 2024.

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

There is nothing to be reported with respect to conservation of energy and technology absorption as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014.

**(Rupees in lakhs)**

| Sr No. | Particulars | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| 1 | Foreign Exchange Earnings in terms of actual inflows | - | - |
| 2 | Foreign Exchange Outgo in terms of actual outflows | 349.2219 | - |

## RISK MANAGEMENT

Your Company has put in place a mechanism to inform the Board about the risk assessment and minimization procedures and undertakes periodical review of the same to ensure that the risks are identified and controlled by means of a properly defined framework. In addition to this, constant monitoring of processes, analyzing of various parameters, credit risk management is also used to improve the risk management.

## INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The internal control system is in place with respect to its financial statement which provides reasonable assurance regarding reliability of financial reporting and the preparation of financial statements procedures and controls reviewed periodically by the Management of the Company.

The Board is responsible for establishing and maintaining adequate internal financial control with reference to the financial statements of the Company as per section 134 of the Companies Act, 2013 read with Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014.

The Board has laid down process designed by the company's principal executive and principal financial officers 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

Internal Financial Controls have also been evaluated by the Statutory Auditors M/s. S R B C & CO., LLP, Chartered Accountants and forms part of this Annual Report.

## AUDITORS

M/s. SPAK and Co., Chartered Accountants, having Firm Registration Number (FRN: 139877W) were appointed as the Statutory Auditors of the Company at its 5th Annual General Meeting held on

30th September, 2022 till the conclusion of the 10th Annual General Meeting to be held in the calendar year 2027.

However, M/s. SPAK and Co., Chartered Accountants, resigned as the Statutory Auditors of the Company w.e.f. 09th November 2023.In order to fill the casual vacancy caused by the resignation of M/s. S P A K & CO., Chartered Accountants, the Company vide ordinary resolution dated 23rd November, 2023 approved the appointment of M/s. S R B C & CO., LLP, Chartered Accountants (Firm Registration Number: (324982E/ E300003) as the Statutory Auditors of the Company to hold the office until the conclusion of the ensuing 7thAnnual General Meeting.

The Company further proposed re-appointment of M/s. S R B C & CO., LLP, Chartered Accountants (Firm Registration Number: (324982E/ E300003) as a statutory auditors of the Company for the further period of 5 years subject to the approval of members at the ensuing 7thAnnual General Meeting of the Company.They have confirmed to the Company that they are not disqualified from continuing to act as the Statutory Auditors of the Company.

## EXPLANATION TO AUDITOR'S REMARK

The Company has emphasis of matter which will impact the financial position in its financial statements.

1. **Auditor's Remark:**We draw attention to note no. 15D to the financial statements which state that during the year, the Company has accounted for listed non-convertible debenture ("financial instrument") in books of accounts basis revised terms without obtaining prior approval of the stock exchange as required under Regulation 59 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Had the Company accounted for financial instrument in accordance with the original terms, the finance cost would have been higher by INR 1,346.72 lakhs, gain on extinguishment of debt would have been lower by INR 4,033.93 lakhs and net income and shareholder's funds would have been lower by INR 2,687.21 lakhs.

   **Directors' reply on the Auditor's remark above:** As required by Regulation 59 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the prior approvals of Board of Directors, Debenture Trustees, Debenture Holder and the external lenders of the Company for modification in the terms of Listed Non-Convertible Debentures. Further, the Company has obtained inprincipal approval of stock exchange for such modifications and Company is confident of obtaining final approval of stock exchange. Pending this, the Company, giving effect of such modifications, has recognised gain on extinguishment of debt amounting to Rs. 4,033.93 lakhs, lower finance cost by Rs. 1,346.72 lakhs, resulting in increase in net income by Rs. 2,687.21 lakhs in the statement of profit and loss for the year ended March 31, 2024.

2. **Auditor's Remark** -According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2024:

The Company's information technology general controls with respect to manage access for the Quadra ERP system were ineffective and needs improvement which could result in potential misstatement in the financial statements.

**Directors' reply on the Auditor's remark above:**The Management has adequate manual control implemented and are operating efficiently. The qualification is with respect to only IT controls and not the whole internal financial controls. Further, the auditors have tested the manual controls, and no discrepancies were reported.

3. **Auditor's Remark:** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books *except that the backup of document management system maintained in electronic mode has not been maintained on servers physically located in India on daily basis and for the matters stated in the paragraph j(iv) below on reporting under Rule 11(g), as more fully explained in Note 41and Note 43 (xiv) to the financial statements respectively.*

   **Directors' reply on the Auditor's remark above:** Management will take the corrective measures at the earliest.

4. **Auditor's Remark:**Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled during the period April 01, 2023 to March 31, 2024 as described in note 43(xiv) to the financial statements. Since the audit trail feature was not enabled during the period April 01, 2023 to March 31, 2024, we are unable to comment on whether there were any instance of the audit trail feature being tempered with.

   **Directors' reply on the Auditor's remark above:**Management has taken the corrective measures and has enabled the audit trail w.e.f. 01.04.2024.

## REPORTING OF FRAUDS BY THE AUDITORS

During the financial year under review, the statutory auditors have not reported to Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officer or employees.

## THE WEB ADDRESS, IF ANY, WHERE ANNUAL RETURN REFERRED TO IN SUB-SECTION (3) OF SECTION 92 HAS BEEN PLACED

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies Management and Administration) Rules, 2014, the annual return is available on the website of the Company at the weblink mentioned below:
http://kumarmagnacity.com/corporate-filings

## VIGIL MECHANISM

The Company does not accept public deposits and do not have borrowed money from banks and public financial institutions to that extent which mandates the Company to establish vigil mechanism.

## SECRETARIAL AUDIT

The provisions of Secretarial Audit as specified in Section 204 of the Companies Act 2013 are currently not applicable to the Company and hence not attached to this report.

## DISCLOSURE OF THE MAINTENACE OF COST RECORDS UNDER SECTION 148 OF THE COMPANIES ACT 2013

The provisions relating to the maintenance of cost records as specified by Central Government as specified in Section 148 of the Companies Act, 2013 are not applicable.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings (SS-1 and SS-2).

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there are no significant or material orders passed by the regulators or courts or tribunal, which may affect the going concern status of the Company and its operations.

## INTERNAL COMPLIANCE COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013

In terms of Section 22 of the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 read with Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Rules, 2013, we report that there was no complaint received and no case was filed during the financial year ended on 31st March, 2024.

## DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

Your Company neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year.

## THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Your Company has not obtained any one time settlement of loan from the Banks or Financial Institutions during the year under review.

## ACKNOWLEDGMENT

Directors' wish to express their grateful appreciation to the continued co-operation received from the Banks, Financial Institutions, Government Authorities, Customers, Consultants, Vendors and Shareholders during the year under review. Directors also wish to place on record their deep sense of appreciation for the committed service of the executives, staff and workers of the Company.

By and on behalf of the Board of Directors
**For MALNAD PROJECT (I) PRIVATE LIMITED**
(Previously **Kumar Housing Township Private Limited)**

**Manish Vimalkumar Jain**
**Director|DIN:** 00037571
**Address:** 11, Napier Road,
Near Poolgate Bus Stop,
Camp, Pune 411001

**Yogesh Bhave**
**Director | DIN:** 03631534
**Address:** Flat No.2, Building A2,
Damodar Vihar, Sinhagad Road,
Hingne Khurd, Pune 411051

**Date:** 18-09-2024
**Place:** Pune

Kumar REALTY

## Annexure I
## Form AOC-2

**Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of Contracts or arrangements or transactions not at arm's length basis:**

**There were no contracts or arrangements or transactions entered into during the year ended on 31st March, 2024 which were not at arm's length basis.**

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

**(Rupees in Lakhs)**

| Name(s) of the related party and nature of relationship: | Nature of contracts/arrangements/transactions | Duration of the contracts / arrangements /transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Amount paid as advance, if any: |
|---|---|---|---|---|---|
| Kumar Properties and Developers LLP | Rent paid | Event based | Rent of Rs. 28.32 lakhs paid during the Financial year 2023-24. | -- | -- |

By and on behalf of the Board of Directors
**For MALNAD PROJECT (I) PRIVATE LIMITED**
(Previously **Kumar Housing Township Private Limited)**

Malnad Project (I) Private Limited PUNE

**Manish Vimalkumar Jain**
**Director|DIN:** 00037571
**Address:** 11, Napier Road,
Near Poolgate Bus Stop,
Camp, Pune 411001

**Yogesh Bhave**
**Director | DIN:** 03631534
**Address:** Flat No.2, Building A2,
Damodar Vihar, Sinhagad Road,
Hingne Khurd, Pune 411051

**Date:** 18-09-2024
**Place:** Pune


(Formerly known as KUMAR HOUSING TOWNSHIP PRIVATE LIMITED)
2nd Floor, Parmar House, 2413, East Street, Camp, Pune - 411001, Maharashtra, India +91 020 69085100, 020 69085151 wwwkumarre.com
contact@kumarworld.com CIN : U45100PN2017PTC170130

## LIST OF SHAREHOLDERS AS ON 31ST MARCH 2024

| | | |
|---|---|---|
| 1 | Shareholders Name | **Manish Vimalkumar Jain** |
| | Father's / ~~Husband's~~ Name | Mr. Vimalkumar Jain |
| | Type of Shares | Equity |
| | Number of Shares held | **10,09,999** |
| | Amount per Share | 10/- |
| | Address | 11, Napier Road, Near Poolgate Bus Stop, Camp, Pune -411001 |
| | Ledger Folio / Client ID of Share Holder | 62718450 |

| | | |
|---|---|---|
| 2 | Shareholders Name | **Mrs. Mamta Jain** |
| | ~~Father's /~~ Husband's Name | Mr. Manish Jain |
| | Type of Shares | Equity |
| | Number of Shares held | **01** |
| | Amount per Share | 10/- |
| | Address | 11, Napier Road, Near Poolgate Bus Stop, Camp, Pune -411001 |
| | Ledger Folio / Client ID of Share Holder | 27722389 |

By and on behalf of the Board of Directors
**MALNAD PROJECT (I) PRIVATE LIMITED (the "Company")**
**(Previously Kumar Housing Township Private Limited)**

Malnad Project (I) Private Limited ★ PUNE

**Manish Vimalkumar Jain**
**Director | DIN:** 00037571
**Address:** 11, Napier Road, Near Poolgate Bus Stop,
Camp, Pune – 411001

**Date:** 18-09-2024
**Place:** Pune

**S R B C & CO LLP**
Chartered Accountants

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
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# INDEPENDENT AUDITOR'S REPORT

To the Members of Malnad Project (I) Private Limited (Formerly known as Kumar Housing Township Private Limited)

## Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the accompanying financial statements of Malnad Project (I) Private Limited (Formerly known as Kumar Housing Township Private Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Qualified Opinion

We draw attention to note no. 15 D in the financial statements which state that during the year, the Company has accounted for listed non-convertible debenture ("financial instrument") in books of accounts basis revised terms without obtaining prior approval of the stock exchange as required under Regulation 59 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Had the Company accounted for financial instrument in accordance with the original terms, the finance cost would have been higher by INR 1,346.72 lakhs, gain on extinguishment of debt would have been lower by INR 4,033.93 lakhs and net income and shareholder's funds would have been lower by INR 2,687.21 lakhs.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 qualified audit opinion on the financial statements.

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2024. 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 'Basis for Qualified Opinion' section we have determined the matter described below to be the key audit matters to be communicated in our report. For matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

| Key Audit Matters | How our audit addressed the key audit matter |
|---|---|
| **Assessing the recoverability of carrying value of Inventory (including land and development cost) as described in note 9 of the financial statements.**<br><br>As at March 31, 2024, the carrying value of inventory, representing Work in progress, is Rs. 69,512.40 lakhs.<br><br>The inventory is valued at the lower of the cost and net realizable value ("NRV"), which is based on the management's assessment including the expected date of completion of the project, estimated sales price, cost to complete projects and selling costs.<br><br>We identified the assessment of the carrying value of inventory as a key audit matter due to the significance of the balance to the financial statements as a whole and the involvement of estimates and judgement in the assessment. | **Our audit procedures included, among others, the following:**<br><br>▸ We evaluated the design and operation of internal controls related to testing recoverable amounts with carrying amount of inventory, including evaluating Company's management processes for estimating future costs to complete projects.<br><br>▸ We assessed the Company's methodology based on current economic and market conditions, applied in assessing the carrying value.<br><br>▸ We obtained and tested the computation involved in assessment of carrying value including the NRV/ net recoverable value.<br><br>▸We made inquiries with Company's management to understand key assumptions used in determination of the NRV/ net recoverable value.<br><br>For inventory balance:<br>▸ Inquired from the management about their business plan, obtained the latest sanction plan for the construction activity to be carried out by the entity and the current status of the project.<br><br>▸ We compared the total projected budgeted cost to the total budgeted sale value from the project. |

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| Key Audit Matters | How our audit addressed the key audit matter |
|---|---|
| | ‣ We compared the NRV used by the management in the assessment with the recent sales price as per the agreement to sales entered during the year.<br><br>‣ We compared the NRV to the carrying value in books. |

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Board's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 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.

## Other Matter

The financial statements of the Company for the year ended March 31, 2023, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on August 17, 2023.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that the backup of document management system maintained in electronic mode has not been maintained on servers physically located in India on daily basis and for the matters stated in the paragraph j(iv) below on reporting under Rule 11(g), as more fully explained in Note 41 and Note 43 (xiv) to the financial statements respectively.

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;

   (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

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(g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above and paragraph j(vi) below on reporting under Rule 11(g)

(i) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024;

(j) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 34 in the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

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vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled during the period April 01, 2023 to March 31, 2024 as described in note Note 43 (xiv) to the financial statements. Since the audit trail feature was not enabled during the period April 01, 2023 to March 31, 2024, we are unable to comment on whether there were any instance of the audit trail feature being tempered with.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Amit Singh**
Partner
Membership Number: 408869
UDIN: 24408869BKBTQN9968

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Place of Signature: Pune
Date: May 28, 2024

**Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the Financial Statements of Malnad project (I) Private limited (Formerly known as Kumar Housing Township Private Limited) ("the Company")**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has not capitalised any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except building having a gross block of INR 1,363.40 lakhs and net block of INR 1,155.73 lakhs is in the name of promoter as disclosed in note 3 to the financial statements of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) Having regard to the nature of inventory comprising of land and work in progress of projects under development, the management has conducted physical verification of inventory by way of verification of title deeds and certification of extent of work completion by competent persons, at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

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

(iii) (a) During the year the Company has provided loan, stood guarantee and provided security to companies as follows:

Aggregate amount granted/ provided during the year (INR.' In lakhs)

| Particulars | Guarantees | Security | Loans |
|---|---|---|---|
| - Subsidiaries | - | - | - |
| - Joint Ventures | - | - | - |
| - Associates | - | - | - |
| - Others | 25,131.28 | 75,131.28 | 84.00 |

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| Particulars | Guarantees | Security | Loans |
|---|---|---|---|
| - Subsidiaries | - | - | - |
| - Joint Ventures | - | - | - |
| - Associates | - | - | - |
| - Others | 25,131.28 | 75,131.28 | - |

Other than the above the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

(b) During the year the guarantee provided, security given and the terms and conditions of the grant of the loan to companies are not prejudicial to the Company's interest. The Company has not granted advances in the nature of loans or made any investment in companies, Limited Liability Partnerships or any other parties.

(c) The Company has granted loans during the year to companies, where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loan and advance in the nature of loan granted to company or any other party which are overdue for more than ninety days.

(e) There was no loan or advance in the nature of loan granted to company or any other party which has fallen due during the year, that has been renewed or extended or fresh loans granted to settle the overdues of existing loan given to the same parties. Hence, the requirements under paragraph 3(iii)(e) of the order is not applicable to company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company and hence not reported upon.

(INR' in lakhs)

| Particulars | All Parties | Promoters | Related Parties |
|---|---|---|---|
| Aggregate amount of loans Repayable on demand | 84.00 | - | 84.00 |
| Percentage of loans to the total loans | 100.00% | - | 100.00% |

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

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(vi) Based on the audit procedures performed by us and according to the information and explanations given to us, the Company's turnover does not exceed the prescribed threshold for the maintenance of cost records under section 148(1) of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, as amended. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not commented upon.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, custom duty, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of income-tax which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

| Name of the Statute | Nature of the Dues | Amount (INR lakhs) | Period to which the amount relates | Due Date | Date of Payment | Remark if any |
|---|---|---|---|---|---|---|
| Income Tax Act, 1961 | Withholding Tax | 3.05 | 2007-08 to 2020-21 | Various dates | May 27, 2024 | - |
| Income Tax Act, 1961 | Income tax including interest | 9.87 | 2019-20 | December 23, 2021 | May 27, 2024 | - |
| Income Tax Act, 1961 | Income tax including interest | 11.71 | 2020-21 | September 17, 2022 | May 27, 2024 | - |

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, custom duty, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Amount (INR Lakhs) | Financial year to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Goods and Services Tax Act 2017 | Interest and penalty | 2.62 | 2017-18 | Deputy Commissioner of Sales Tax, Pune |
| Income Tax Act, 1961 | Interest on income tax | 0.74 | 2022-23 | Deputy Director of Income Tax (Assessing Officer) |

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e)/(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year. Accordingly, the requirement to report on clause 3(xi)(a) of the Order is not applicable to the Company.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) (a)/(b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a)/(b)/(c) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Further, the Company has not conducted any Non-Banking Financial or Housing Finance activities and is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(a), 3(xvi)(b), 3(xvi)(c) of the Order is not applicable to the Company.

(d) As represented to us by management, there is no Core Investment Company as part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses in the current year amounting to INR 7,365.64 lakhs taking into consideration the impact of main audit report qualification. In the immediately preceding financial year, the Company had incurred cash losses amounting to INR 347.25 lakhs.

(xviii) The previous statutory auditors of the Company have resigned during the year. No issues, objections or concerns have been raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in Note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date 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) (a)/(b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Amit Singh**
Partner
Membership Number: 408869
UDIN: 24408869BKBTQN9968

Place of Signature: Pune
Date: May 28, 2024

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Annexure 2 - Annexure referred to in paragraph 2(g) of our report of even date under the heading "Report on Other Legal and Regulatory Requirements"

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Malnad project (I) Private limited (Formerly known as Kumar Housing Township Private Limited) (the "Company") as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 judgement, 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 qualified audit opinion on the Company's internal financial controls with reference to these financial statements.

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## Meaning of Internal Financial Controls With Reference to Financial Statements

A Company's internal financial controls with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2024:

The Company's information technology general controls with respect to manage access for the Quadra ERP system were ineffective and needs improvement which could result in potential misstatement in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2024, 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, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2024.

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Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company and this report does not affect our report dated May 28, 2024, which expressed a qualified opinion on those financial statements for the matter described in Basis of qualified opinion para in the report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Amit Singh**
Partner
Membership Number: 408869
UDIN: 24408869BKBTQN9968
Place of Signature: Pune
Date: May 28, 2024

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## 1. Corporate information

Malnad Project (I) Private Limited (formerly known as Kumar Housing Township Private Limited) (the "Company") (CIN U45100PN2017PTC170130) is a debt listed company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 2413, Kumar Capital East Street, Camp, Pune-411001.

The Company is primarily engaged in business of real estate development.

These financial statements were approved for issue in accordance with a resolution of the board of directors on May 28, 2024.

## 2. Material accounting policies

### 2.1 Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value (refer accounting policy on financial instruments for details).

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

### 2.2 Summary of material accounting policies

#### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non current.

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A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**b. Foreign currencies**

The Company's financial statements are presented in Indian Rupees, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**Transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in the fair value of the item.

Exchange differences arising as a result of the above are recognised as income or expense in the Statement of profit and loss.

**c. Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

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The Company derives revenues primarily from sale of properties comprising of residential units and lands. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue from real estate development of residential unit and land is recognised at the point in time,

(i) on transfer of legal title of the residential or commercial unit to the customer; or

(ii) transfer of physical possession of the residential unit to the customer i.e., handover/deemed handover of the residential units. Deemed handover of the residential units is considered upon intimation to the customers about receipt of occupancy certificate and receipt of substantial sale consideration.

Sale of residential real estate inventory property consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/interdependent.

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

**Contract balances**

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 4 Financial instruments – initial measurement and subsequent measurement.

**Contract Cost assets**

The Company pays sales commission for contracts that they obtain to sell certain units of property and capitalises the incremental costs of obtaining a contract. These costs are amortised on a systematic basis that is consistent with the transfer of the property to the customer. Capitalised costs to obtain such contracts are presented separately as a current asset (prepaid expenses) in the Balance Sheet.

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**Contract liabilities**

**Advance received from customers**

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received. Contract liabilities are recognised as revenue when the Company performs under the contract.

**d. Property, plant and equipment and depreciation**

**Property, plant and equipment**

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion is met and directly attributable costs of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Each part of item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date and is stated at cost, net of accumulated impairment loss, if any.

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**Depreciation methods, estimated useful lives and residual value**

Depreciation on property, plant and equipment is calculated on a written down value method based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. On the basis of technical evaluation done by internal experts, the Company has used the following useful lives to provide depreciation on its property, plant and equipment.

| Type of assets | Useful life as per Schedule II | Useful lives estimated by the management (years) |
|---|---|---|
| Computers | 3 | 3 |
| Office Equipment | 10 | 5 |
| Furniture and Fixtures | 10 | 10 |
| Vehicle | 8 | 8 |
| Building (developed on leasehold land) | 30 | 8 |

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

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

**e. 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**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient

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are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (c) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

- For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

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.

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This category is the most relevant to the Company. 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 fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables and deposits with remaining maturity for more than 12 months included under other non-current financial assets. For more information on receivables, refer to Note 6.

**Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.
The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

**Financial assets designated at fair value through OCI (equity instruments)**
Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.
The Company elected to classify irrevocably its non listed equity investments under this category.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

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This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

**Embedded Derivatives**

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- 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 (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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**Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that 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 Company reverts to recognising impairment loss allowance based on 12-month ECL.

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 Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, a Company is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the profit or loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation is described below:

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Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

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Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. 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. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 15.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

**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 and loss.

**Reclassification of financial assets and financial liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of

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the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains and losses) or interest.

**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 realize the assets and settle the liabilities simultaneously.

**Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.
The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

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**f. Inventories**

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i. Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on weighted average basis.
ii. Work-in-progress: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Work-in-progress is valued at lower of cost and net realizable value.
iii. Finished goods -- Flats and plots: Valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**Cost of Construction / Development:**

Cost of Construction/Development (including cost of land, direct depreciation, borrowing cost and compensation cost) incurred is charged to the statement of profit and loss proportionate to project area sold/performance obligation is satisfied as explained in accounting policy for revenue from sale of real estate projects. Costs incurred for projects which have not received Occupancy/Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed Properties

**g. Employee benefits**

**Defined Benefit Plan (Gratuity)**

The company provides for gratuity, a Defined Benefit Plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yield 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 and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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Re-measurement 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 retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

**Provident fund**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the Statement of Profit and Loss in the year when the contributions t o the respective funds are due and when services are rendered by the employees.

**Compensated absences**

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of unutilised compensated absence on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/ losses are immediately taken to profit or loss and are not deferred.

The obligations are presented under current liabilities in the balance sheet if the entity 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.

**h. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalisation of borrowing cost is suspended and charged to the statement of profit and loss during extended period when active development activity on the qualifying asset is interrupted.

**i. Taxation**

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of current tax and deferred tax.

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**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities.

The Company's current tax is measured using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment.

The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method depending on which method predicts better resolution of the treatment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

**Deferred taxes**

Deferred tax is recognised using liability method. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax asset 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. The carrying amount of deferred tax assets 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 assets to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends and has ability to settle its current tax assets and liabilities on a net basis.

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j. **Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. 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 recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

k. **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to note 2.14.2 Impairment of non-financial assets.

**Lease Liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

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In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**l. Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

m. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources.

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

**n. Share Capital**

**Ordinary Shares**

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

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Malnad Project (I) Private Limited * PUNE

**o. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker (CODM).
The Company is primarily engaged in the business of real estate development. The information reported to the CODM for the purpose of resource allocation and assessment of performance is based on the Company as a whole. Hence, the Company has only one operating segment to assess the performance and allocation of resources.

**p. Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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 best economic 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:

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

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Malnad Project (I) Private Limited * PUNE

The Company has set policies and procedures for both recurring and non-recurring fair value measurement of financial assets, which includes valuation techniques and inputs to use for each case.

For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**q. Other Income**

**Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be m easured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Others**

The Company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, income recognition is postponed to the extent income is reasonably certain and can be reliably measured.

**r. Use of estimates, judgements and assumptions**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in accounting estimate is recognised prospectively.

The following are significant management judgements and estimates in applying the accounting policies of the Company that have the most significant effect on the financial statements:

1. Identification of performance obligation and timing of revenue recognition on revenue from real estate development - Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent. In assessing whether performance obligations relating

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Malnad Project (I) Private Limited * PUNE

to sale of undivided share of land and constructed area are highly interrelated/ interdependent, the Company considers factors such as:

- whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.
- whether the entity will be able to fulfil its promise under the contract to transfer the undivided share of land without transfer of constructed area or transfer the constructed area without transfer of undivided share of land.

Timing of satisfaction of performance obligation - Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met: The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- 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.
- If control is not transferred over time as above, the entity considers the same as transferred at a point in time.

2. Defined benefit Plan (DBP) – Management's estimate of the DBP is based on a number of critical underlying actuarial assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. Variation in these assumptions may significantly impact the DBP amount and the annual defined benefit expenses. 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

3. Useful lives and residual value of depreciable assets – The useful life and residual value of property, plant and equipment are determined based on evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgments involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

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Malnad Project (I) Private Limited ★ PUNE

Malnad Project (I) Private Limited
(Formerly known as Kumar Housing Township Private Limited)
Notes to the financial statements for the year ended 31 March, 2024
CIN: U45100PN2017PTC170130
(All amounts are in INR lakhs unless otherwise stated)

**s. Changes in accounting policies and disclosures**

**New and amended standards**

Several amendments and interpretations apply for the first time in March 2024, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time this amendment:

Disclosure of Accounting Policies - Amendments to Ind AS 1. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

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Malnad Project (I) Private Limited PUNE

**Malnad Project (I) Private Limited**
**Formerly known as Kumar Housing Township Private Limited**
**CIN : U45100PN2017PTC170130**
**Balance Sheet as at March 31, 2024**
(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 1,267.42 | 24.66 |
| Capital work-in-progress | 4 | 67.19 | 595.97 |
| Right of use assets | 5 | 178.46 | 56.99 |
| Financial assets | | | |
| i. Other financial assets | 6 | 34.85 | 347.32 |
| Deferred tax assets (net) | 29 | 4,257.37 | 4,738.05 |
| Non-current tax assets (net) | 7 | 80.53 | 90.13 |
| Other non-current assets | 8 | 285.18 | - |
| **Total non-current assets** | | **6,220.98** | **5,914.13** |
| **Current assets** | | | |
| Inventories | 9 | 69,512.40 | 63,721.47 |
| Financial assets | | | |
| i. Trade receivables | 10 | - | 130.95 |
| ii. Cash and cash equivalents | 11 | 493.58 | 1,280.95 |
| iii. Other financial assets | 6 | 0.77 | - |
| Other current assets | 12 | 536.65 | 355.36 |
| **Total current assets** | | **70,543.40** | **65,488.73** |
| **Total assets** | | **76,764.38** | **71,402.86** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 13 | 101.00 | 101.00 |
| Other equity | 14 | (24,281.08) | (13,039.55) |
| **Total equity** | | **(24,180.08)** | **(12,938.55)** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Contract liabilities | 22 | 3,936.80 | - |
| Financial liabilities | | | |
| i. Borrowings | 15 | 65,400.86 | 59,647.61 |
| ii. Lease liabilities | 16 | 157.10 | 51.38 |
| iii. Other financial liabilities | 18 | 25,131.28 | 23,691.09 |
| Provisions | 19 | 14.80 | - |
| **Total non-current liabilities** | | **94,640.84** | **83,390.08** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 20 | 3,851.02 | 182.86 |
| ii. Lease liabilities | 16 | 35.64 | 10.88 |
| iii. Trade payables | 17 | | |
| (a) Total outstanding dues of micro and small enterprises | | 130.99 | - |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | 1,709.34 | 218.65 |
| iii. Other financial liabilities | 18 | 115.47 | 7.34 |
| Provisions | 19 | 9.10 | - |
| Other current liabilities | 21 | 452.06 | 525.60 |
| **Total current liabilities** | | **6,303.62** | **951.33** |
| **Total liabilities** | | **1,00,944.46** | **84,341.41** |
| **Total equity and liabilities** | | **76,764.38** | **71,402.86** |
| Summary of material accounting policies | 2.1 | | |

The accompanying notes form an integral part of the financial statements.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration no.: 324982E/ E300003

per Amit Singh
Partner
Membership no.: 408869
Place: Pune
Date: May 28, 2024

For and on behalf of the board of directors of
**Malnad Project (I) Private Limited**

Manish V Jain
Director
DIN : 00037571
Place: Pune
Date: May 28, 2024

Yogesh Bhave
Director
DIN : 03631534
Place: Pune
Date: May 28, 2024

K. V. Jagdale

**Komal Jagdale**
Company Secretary & Compliance Officer
Membership no.: 65191
Place: Pune
Date: May 28, 2024

Project (I) Private Limited PUNE Malnad

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Malnad Project (I) Private Limited
Formerly known as Kumar Housing Township Private Limited
CIN : U45100PN2017PTC170130
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

| | Particulars | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|---|
| I | Revenue from operations | 22 | 60.00 | |
| II | Other income | 23 | 4,261.06 | 796.36 |
| III | **Total income ( I + II )** | | **4,321.06** | **796.36** |
| IV | **Expenses** | | | |
| | Cost of land sold | 24 | 82.84 | |
| | Employee benefits expense | 25 | 166.47 | 3.30 |
| | Finance costs | 26 | 11,274.19 | 11,525.39 |
| | Depreciation and amortisation expense | 27 | 267.68 | 22.25 |
| | Other expenses | 28 | 3,134.57 | 765.72 |
| | **Total expenses ( IV )** | | **14,925.75** | **12,316.66** |
| V | **Loss before tax (III- IV)** | | **(10,604.69)** | **(11,520.30)** |
| VI | **Tax expense/ (credit)** | | | |
| | Current tax | 29 | - | - |
| | Adjustment of tax relating to earlier periods | | 86.17 | (14.88) |
| | Deferred tax | 29 | 543.19 | (2,871.57) |
| | **Total tax expense ( VI )** | | **629.36** | **(2,886.45)** |
| VII | **Loss for the year ( V - VI )** | | **(11,234.05)** | **(8,633.85)** |
| VIII | **Other comprehensive income** | | | |
| | Items that will not be reclassified to the statement of profit and loss | | | |
| | Re-measurement gains on defined benefit plans | 32 | (9.99) | |
| | Income-tax related to above item | | 2.51 | |
| | **Other comprehensive income for the year (net of tax)** | | **(7.48)** | |
| IX | **Total comprehensive income for the year, net of tax (VII+VIII)** | | **(11,241.53)** | **(8,633.85)** |
| X | **Earnings per equity share (of INR 10 each)** | 30 | | |
| | Basic | | (1,112.28) | (854.84) |
| | Diluted | | (1,112.28) | (854.84) |
| | Summary of material accounting policies | 2.1 | | |

The accompanying notes form an integral part of the financial statements.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration no.: 324982E/ E300003

per Amit Singh
Partner
Membership no.: 408869
Place: Pune
Date: May 28, 2024

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Malnad Project (I) Private Limited ★ PUNE

For and on behalf of the board of directors of
**Malnad Project (I) Private Limited**

**Manish V Jain**
Chairman and Director
DIN : 00037571
Place: Pune
Date: May 28, 2024

**Yogesh Bhave**
Director
DIN : 03631534
Place: Pune
Date: May 28, 2024

K. V. Jagdale

**Komal Jagdale**
Company Secretary & Compliance Officer
Membership no.: 65191
Place: Pune
Date: May 28, 2024

Malnad Project (I) Private Limited
Formerly known as Kumar Housing Township Private Limited
CIN : U45100PN2017PTC170130
Cash flow statement for the year ended March 31, 2024

| | Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|---|
| A | **Cash flow from operating activities** | | |
| | Loss before tax | (10,604.69) | (11,520.32) |
| | Adjustments for: | | |
| | Depreciation and amortisation expense | 267.68 | 22.35 |
| | Impairment allowance on financial instrument (allowance for bad debts) | 130.95 | |
| | Finance costs | 8,143.43 | 11,525.39 |
| | Interest on term deposits | (74.99) | (593.95) |
| | Liabilities written back | (152.14) | |
| | Loss on sale of property, plant and equipment | 3.48 | |
| | Gain on extinguishment of debt | (4,033.93) | |
| | Gain on redemption of preference shares | - | (200.00) |
| | Net foreign exchange difference | | (2.41) |
| | **Operating loss before working capital changes** | (6,320.21) | (769.02) |
| | **Adjustments for changes in working capital:** | | |
| | Decrease in non current and current loans | - | 1,495.43 |
| | (Increase)/decrease in other current assets | (188.05) | 3.09 |
| | Decrease/(Increase) in other financial assets | 261.74 | (3.38) |
| | Increase in inventories | (4,364.60) | (2,742.10) |
| | Increase in trade payables | 1,621.68 | 132.01 |
| | Increase/(decrease) in provisions | 13.91 | (2.85) |
| | Increase in other liabilities | 7,140.51 | 371.98 |
| | **Cash flow from operating activities** | (1,835.02) | (1,514.93) |
| | Income tax paid (net of refunds) | (76.60) | (114.27) |
| | **Net cash used in operating activities (A)** | (1,911.62) | (1,629.20) |
| B | **Cash flow from investing activities** | | |
| | Purchase of property, plant and equipments and capital work in progress | (1,127.46) | (485.90) |
| | Proceed from redemption of bank deposits | - | 34,700.00 |
| | Payment made for acquisition of shares in Malnad Projects Private Limited (refer note 43 (iii)) | (1,684.93) | (37,030.57) |
| | Interest received | 74.99 | 593.95 |
| | **Net cash used in investing activities (B)** | (2,737.40) | (2,222.57) |
| C | **Cash flow from financing activities** | | |
| | Payment of principal portion of lease liabilities | (17.95) | (9.28) |
| | Interest paid | (1,120.42) | (172.18) |
| | Proceeds from borrowings | 5,000.00 | 5,000.00 |
| | Repayment of borrowings | - | (797.59) |
| | **Net cash generated from financing activities (C)** | 3,861.63 | 4,020.95 |
| | **Net (decrease)/increase in cash and cash equivalents (A+B+C)** | (787.39) | 169.23 |
| | Cash and cash equivalents at the beginning of the year | 1,280.95 | 1,111.72 |
| | Cash and cash equivalents at the end of the year | 493.56 | 1,280.95 |

| Components of cash and cash equivalents | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Cash on hand | 1.07 | 0.65 |
| Balances with banks: | | |
| On current accounts | 487.16 | 133.35 |
| Deposits with original maturity of less than three months | 5.35 | 1,146.45 |
| Cash and cash equivalents at the end of the year | 493.58 | 1,280.95 |

| | | | |
|---|---|---|---|
| A. | **Non cash financing and investing activities** | | |
| | - Acquisition of right of use assets | 148.44 | 71.54 |
| B. | For disclosure related to "Change in liabilities arising from financing activities and for non-cash financing and investing activities" refer note no. 11B. | | |

Summary of material accounting policies 2.1
The accompanying notes form an integral part of the financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no.: 324982E/ E300003

per Amit Singh
Partner
Membership no.: 408869
Place: Pune
Date: May 28, 2024

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Malnad Project (I) Private Limited PUNE

For and on behalf of the board of directors of
Malnad Project (I) Private Limited

Manish V Jain
Director
DIN : 000[illegible]511
Place: Pune
Date: May 28, 2024

Yogesh Bhave
Director
DIN : 03631534
Place: Pune
Date: May 28, 2024

K. V. Jagdale

Komal Jagdale
Company Secretary & Compliance Officer
Membership no.: 65191
Place: Pune
Date: May 28, 2024

Malnad Project (I) Private Limited
Formerly known as Kumar Housing Township Private Limited
CIN : U45100PN2017PTC170130
Statement of changes in Equity for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

A **Equity Share Capital:**

| Equity shares of INR 10 each issued, subscribed and fully paid | No of shares | Amount |
|---|---|---|
| **As at April 1, 2022** | 10,10,000 | 101.00 |
| Changes in equity share capital | - | - |
| **As at March 31, 2023** | 10,10,000 | 101.00 |
| Changes in equity share capital | - | - |
| **As at March 31, 2024** | **10,10,000** | **101.00** |

B **Other Equity**

**Attributable to the Equity shareholders of the Company**

| Particulars | Retained Earnings | Total |
|---|---|---|
| **Particulars** | | Total |
| **Balance as at April 1, 2022** | **(4,405.70)** | **(4,405.70)** |
| Loss for the year | (8,633.85) | **(8,633.85)** |
| **Total comprehensive loss for the year** | **(8,633.85)** | **(8,633.85)** |
| **Balance as at March 31, 2023** | **(13,039.55)** | **(13,039.55)** |
| Loss for the year | (11,234.05) | **(11,234.05)** |
| Other comprehensive loss | (7.48) | **(7.48)** |
| **Total comprehensive loss for the year** | **(11,241.53)** | **(11,241.53)** |
| **Balance as at March 31, 2024** | **(24,281.08)** | **(24,281.08)** |

Summary of material accounting policies 2.1

The accompanying notes form an integral part of the financial statements.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration no.: 324982E/ E300003

**per Amit Singh**
Partner
Membership no.: 408869
Place: Pune
Date: May 28, 2024

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the board of directors of
**Malnad Project (I) Private Limited**

Malnad Project (I) Private Limited PUNE

| | |
|---|---|
| **Manish V Jain** | **Yogesh Bhave** |
| Director | Director |
| DIN : 00037571 | DIN : 03631534 |
| Place: Pune | Place: Pune |
| Date: May 28, 2024 | Date: May 28, 2024 |

K. V. Jagdale

**Komal Jagdale**
Company Secretary & Compliance Officer
Membership no.: 65191
Place: Pune
Date: May 28, 2024

Malnad Project (I) Private Limited
Formerly known as Kumar Housing Township Private Limited
CIN : U45100PN2017PTC170130
Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

## 3 Property, plant and equipment

| Particulars | Building | Computers | Office equipments | Electrical equipments | Furniture and fixtures | Total |
|---|---|---|---|---|---|---|
| **Gross block (cost or deemed cost)** | | | | | | |
| As at April 1, 2022 | | 6.77 | 0.42 | - | 14.61 | 21.80 |
| Additions | | 12.26 | 6.61 | - | 0.09 | 18.96 |
| Disposals | | | - | | | |
| **As at March 31, 2023** | | **19.03** | **7.03** | **-** | **14.70** | **40.75** |
| Additions | 1,363.40 | 21.09 | 14.46 | 13.78 | 62.46 | 1,480.19 |
| Disposals | | (6.63) | (0.53) | | (3.38) | (15.54) |
| **As at March 31, 2024** | **1,363.40** | **33.49** | **20.96** | **13.78** | **73.78** | **1,505.41** |
| **Accumulated depreciation** | | | | | | |
| As at April 1, 2022 | | 0.91 | 0.40 | - | 7.09 | 8.40 |
| Depreciation charge during the year | | 5.56 | 0.18 | - | 1.96 | 7.70 |
| Disposals | - | - | - | - | | |
| **As at March 31, 2023** | - | **6.47** | **0.58** | | **9.05** | **16.10** |
| Depreciation charge during the year | 207.67 | 10.54 | 4.61 | 0.88 | 10.25 | 233.95 |
| Disposals | - | (3.24) | (0.54) | - | (8.28) | (12.06) |
| **As at March 31, 2024** | **207.67** | **13.77** | **4.65** | **0.88** | **11.02** | **237.99** |
| **Net book value** | | | | | | |
| **As at March 31, 2024** | **1,155.73** | **19.72** | **16.31** | **12.90** | **62.76** | **1,267.42** |
| **As at March 31, 2023** | | **12.56** | **6.45** | **-** | **5.65** | **24.66** |

Note:

1. There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Company whose title deeds are required to be held in name of the company except building having a gross block of INR 1,363.40 lakhs and net block of INR 1,155.73 lakhs is in the name of the promoter.

2. The Company follows a Cost Model for subsequent measurement of Property Plant and Equipment and hence no revaluation is done

## 4 Capital work-in-progress

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Opening capital work-in-progress | 596.97 | 130.02 |
| Add: Addition during the year | 920.92 | 466.95 |
| Less: Capitalised during the year | (1,450.70) | |
| Closing capital work-in-progress | 67.19 | 596.97 |

**Capital work-in-progress (CWIP) ageing schedule**

**As at March 31, 2024**

| | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 67.19 | - | - | - | 67.19 |
| Projects temporarily suspended | - | - | - | | |
| **Total** | **67.19** | - | - | - | 67.19 |

**As at March 31, 2023**

| | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress* | 466.95 | 130.02 | | | 596.97 |
| Projects temporarily suspended | - | - | - | | - |
| **Total** | **466.95** | **130.02** | - | - | 596.97 |

* Capital work-in-progress majorly comprises of Site office building, computers, furniture and office equipments
There were no capital work- in-progress which have cost over-run the estimated budget and/or overdue from expected date of completion.

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Malnad Project (I) Private Limited ★ PUNE

Malnad Project (I) Private Limited
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Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

5 Right of use asset

| Particulars | Land | Building | Total |
|---|---|---|---|
| **Gross block (at cost)** | | | |
| As at April 1, 2022 | - | | |
| Additions | 71.54 | | 71.54 |
| **As at March 31, 2023** | **71.54** | - | **71.54** |
| Additions | 64.61 | 90.57 | 155.18 |
| **As at March 31, 2024** | **136.15** | **90.57** | **226.72** |
| **Accumulated depreciation** | | | |
| As at April 1, 2022 | | | |
| Depreciation charge during the year | 14.55 | | 14.55 |
| **As at March 31, 2023** | **14.55** | - | **14.55** |
| Depreciation charge during the year | 27.69 | 6.04 | 33.73 |
| **As at March 31, 2024** | **42.24** | **6.04** | **48.28** |
| **Net book value** | | | |
| **As at March 31, 2024** | **93.91** | **84.53** | **178.44** |
| **As at March 31, 2023** | **56.99** | | **56.99** |

<<<<<<<<<<<<<<<< *Intentionally left blank* >>>>>>>>>>>>>>>>>>>>>

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Malnad Project (I) Private Limited * PUNE

6 Other financial assets

| Particulars | Non current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Carried at amortised cost | | | | |
| Security deposits (refer note a) | 9.86 | 275.90 | 0.77 | - |
| Deposit with remaining maturity for more than 12 months (refer note b) | 74.99 | 71.46 | - | - |
| **Total other financial assets** | 84.85 | 347.36 | 0.77 | - |

a. The security deposit as at March 31, 2023 includes interest free deposit paid to Kumar Properties and Housing Development Private Limited (related party) for INR 272.90 lakhs. The deposit balance has been refunded in current year.

b. Deposits are made with Union Bank of India. Includes deposit amounting to INR 56.40 lacs and INR 10 lacs held under lien for guarantee given by Bank to Pune Metropolitan Regional Development Authority and Maharashtra Pollution Control Board respectively.

7 Non current tax assets (net)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Tax assets (net of provision INR 59.94 lakhs)( March 31, 2023: INR 206.29 lakhs) | 80.53 | 90.10 |
| **Total non current tax assets (net)** | 80.53 | 90.10 |

8 Other non current assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Capital advance | 285.18 | - |
| **Total non current tax assets (net)** | 285.18 | - |

9 Inventories

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (At lower of cost and net realisable value) | | |
| Land and construction work in progress* | 69,512.40 | 63,721.47 |
| **Total inventories** | 69,512.40 | 63,721.47 |

* The Company has pledged its inventories as per agreement with debentureholders and Bluebonnet Builders and Developers Private Limited. Refer note no. 15 and note no. 18 for further details.

10 Trade receivables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Unsecured, considered good | - | 130.95 |
| Undisputed Trade receivable – credit impaired | 130.95 | - |
| | 130.95 | 130.95 |
| Less : Impairment Allowance (allowance for bad and doubtful debts) | | |
| Trade Receivables - credit impaired | 130.95 | - |
| **Total trade receivables** | - | 130.95 |

Trade Receivable aging as at March 31, 2024

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed Trade receivables – considered good | | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | | - | - | - | - | 130.95 | 130.95 |
| Disputed Trade Receivables - considered good | | - | - | - | - | - | - |
| Disputed Trade Receivables – – credit impaired | | - | - | - | - | - | - |
| **Total** | - | - | - | - | - | 130.95 | 130.95 |

Trade Receivable aging as at March 31, 2023

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed Trade receivables – considered good | | - | - | | 130.95 | - | 130.95 |
| Undisputed Trade Receivables – considered doubtful | | - | - | | | | |
| Disputed Trade receivables – considered good | | - | - | - | - | | |
| Disputed Trade Receivables – considered doubtful | | - | - | - | | | |
| **Total** | - | - | - | - | 130.95 | | 130.95 |

(i) No trade or other receivable are due from directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated. Trade receivables are non-interest bearing

(ii) Trade receivables are non-interest bearing and are generally on terms of 15 days

(iii) There are no receivables from related parties

(iv) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule

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Project (I) Private Limited PUNE

Malnad Pr... Limited PUNE

Malnad Project (I) Private Limited
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Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

11 Cash and cash equivalents

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balance with banks | | |
| On current account | 487.16 | 133.85 |
| Deposits with original maturity of less than three months | 5.35 | 1,146.45 |
| Cash on hand | 1.07 | 0.65 |
| **Total cash and cash equivalents** | **493.58** | **1,280.95** |

A. For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balance with banks | | |
| On current account | 487.15 | 133.85 |
| Deposits with original maturity of less than three months | 5.35 | 1,146.45 |
| Cash on hand | 1.07 | 0.65 |
| **Total cash and cash equivalents** | **493.58** | **1,280.95** |

B. Disclosure related to "Change in liabilities arising from financing activities and for non-cash financing and investing activities"

| Particulars | Borrowings | Lease liabilities | Payable towards purchase of shares of Malnad Projects Private Limited |
|---|---|---|---|
| **Balance as at April 01, 2022** | **46,630.16** | - | **2[illegible],116.57** |
| Proceeds during the year | 5,000.00 | | |
| Repayment during the year | | | |
| Principal paid during the year | - | (9.28) | (1,922.03) |
| Interest paid during the year | (220.27) | (10.52) | |
| Non cash components | | | |
| Additions during the year (lease liability) | - | 71.54 | |
| Interest accrued | 8,426.58 | 10.52 | 3,496.55 |
| **Balance as at March 31, 2023** | **59,836.47** | **62.26** | **23,691.09** |
| Proceeds during the year | 5,000.00 | - | |
| Principal paid during the year | - | (17.96) | (1,684.93) |
| Interest paid during the year | (1,097.50) | (22.92) | |
| Non cash components : | | | |
| Additions during the year (lease liability) | - | 148.44 | |
| Interest accrued | 9,546.84 | 22.92 | 3,125.12 |
| Reduction in liability due to extinguishment of debt | (4,033.93) | | |
| **Balance as at March 31, 2024** | **69,251.88** | **192.74** | **25,131.28** |

12 Other current assets (Unsecured and considered good)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advances recoverable in cash and kind | 375.81 | 16.35 |
| Prepaid expenses | 160.84 | - |
| Balances with Govt Authorities (CENVAT receivables) | - | 339.01 |
| **Total other current assets** | **536.65** | **355.36** |

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Malnad Project (I) Private Limited
PUNE

(All amounts in INR lakhs, unless otherwise stated)

**13 Equity share capital**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Authorised shares** | | |
| 5,62,67,570 (March 31, 2023 - 5,62,67,570) Equity Shares of Rs. 10 each | 5,626.76 | 5,626.76 |
| 50,00,005 (March 31, 2023: 50,00,005) Senior Preference Shares of Rs. 10 each | 500.00 | 500.00 |
| 42,42,425 (March 31, 2023: 42,42,425) Junior Preference Shares of Rs. 10 each | 424.24 | 424.24 |
| | 6,551.00 | 6,551.00 |
| **Issued, subscribed and fully paid-up shares** | | |
| 10,10,000 (March 31, 2023 - 10,10,000) equity shares of Rs. 10 each | 101.00 | 101.00 |
| Total | 101.00 | 101.00 |

**13.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year**

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| **Equity shares outstanding at the beginning of the year** | 10,10,000 | 101.00 | 10,10,000 | 101.00 |
| Changes during the year | - | - | - | - |
| **Equity shares outstanding at the end of the year** | 10,10,000 | 101.00 | 10,10,000 | 101.00 |

**13.2 Terms/ rights attached to shares -**

The Company has two classes of shares referred to as equity share and preference shares of INR 10 each.

**Equity shares**

(a) There is only one class of equity shares having a face value of INR 10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the members at the ensuing Annual General Meeting except interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the assets remaining after distribution of the preferential creditors /amounts, in proportion to the equity shares held to the total equity shares subscribed.

**Preference shares**

**(i) Senior preference shares**

The Company has senior preference shares having par value of INR 10 each. The holder of each senior preference shares shall be entitled, in priority to any payment of dividend to any other class of shares to be paid in cash on non - cumulative preferential basis and shall rank senior in all respects to all junior preference shares and equity shares. The holders of shares shall not be entitled to any further dividend rights or other rights of participation in the profits of the Company. Senior preference shares do not carry any voting rights.

**(ii) Junior Preference shares**

The Company has junior preference shares having par value of INR 10 each. The holder of each junior preference shares shall be entitled, subordinate to the holders of senior preference shares but in priority to any payment of dividend to any other class, to be paid in cash on cumulative basis preferential dividend and shall rank senior to all equity shares. The holders of shares shall not be entitled to any further dividend rights or other rights of participation in the profits of the Company. Junior preference shares do not carry any voting rights.

- There are no shares bought back.
- As on the date of balance sheet there are no securities with terms for being convertible into equity/ preference shares.
- As on the date of balance sheet there are no calls on shares which are unpaid by directors or officers.
- There are no forfeited shares

**13.3 Details of shareholders holding more than 5% equity shares in the Company**

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares | % holding in the class | No. of shares | % holding in the class |
| Manish Vimalkumar Jain | 10,09,999 | 99.99% | 10,09,999 | 99.99% |
| Total | 10,09,999 | 99.99% | 10,09,999 | 99.99% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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Project (I) Private ... PUNE ... Malnad

Malnad Project (I) Private Limited
Formerly known as Kumar Housing Township Private Limited
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Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

**13.4 Details of shareholding of promoters**

As at March 31, 2024
Shares held by promoters at the end of the year

| Promoter name | No. of Shares | % of total shares | % Change during the year |
|---|---|---|---|
| Manish Vimalkumar Jain | 10,09,999 | 99.99% | 0.00% |
| Mamta Manish Jain | 1 | 0.01% | 0.00% |
| **Total** | **10,10,000** | **100.00%** | **0.00%** |

As at March 31, 2023
Shares held by promoters at the end of the year

| Promoter name | No. of Shares | % of total shares | % Change during the year |
|---|---|---|---|
| Manish Vimalkumar Jain | 10,09,999 | 99.99% | 0.00% |
| Mamta Manish Jain | 1 | 0.01% | 0.00% |
| **Total** | **10,10,000** | **100.00%** | **0.00%** |

**14 Other equity**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Retained earnings** | | |
| Balance as at the beginning of the year | (13,039.55) | (4,405.70) |
| Loss for the year | (11,234.05) | (8,633.85) |
| Other comprehensive loss for the year | (7.48) | |
| **Net deficit in the statement of profit and loss** | **(24,281.08)** | **(13,039.55)** |
| **Total other equity** | **(24,281.08)** | **(13,039.55)** |

**Nature and purpose of reserves:**

**Retained earnings**

Retained earnings represents the cumulative profits of the Company which can be utilised in accordance with the provisions of the Companies Act, 2013

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Malnad Project (I) Private Limited * PUNE

Malnad Project (I) Private Limited
Formerly known as Kumar Housing Township Private Limited
CIN : U45100PN2017PTC170130
Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

## 15 Non Current Borrowings

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Carried at amortised cost | | |
| **Non-Convertible Debentures (NCDs)** | | |
| **Secured** | | |
| 35,00,000 (March 31, 2023 : 35,00,000) - Non- Convertible Debentures (NCD) of Rs. 1000 each | 35,000.00 | 35,000.00 |
| Interest accrued but not due | 19,445.00 | 11,916.10 |
| (Refer note A below for terms) | | |
| **Secured** | | |
| 10,00,000 (March 31, 2023 : 5,00,000) - Non-convertible Debentures (NCD) of Rs. 1000 each | 10,000.00 | 5,000.00 |
| Interest accrued but not due | 517.69 | 188.86 |
| Less : Current maturities of long term debt | (3,851.02) | (188.86) |
| (Refer note B below for terms) | | |
| **Total secured borrowings** | **61,111.67** | **51,916.10** |
| **Unsecured** | | |
| 4,90,000 (March 31, 2023 : 4,90,000) - Non-Convertible Debentures (NCD) of Rs. 1000 each | 3,697.57 | 4,900.00 |
| Interest accrued but not due | 591.62 | 2,831.51 |
| (Refer note C below for terms) | | |
| **Total unsecured borrowings** | **4,289.19** | **7,731.51** |
| **Total** | **65,400.86** | **59,647.61** |

**Terms of non-current borrowings -**
Note A

**Interest and repayment terms:**
The non-convertible debentures are non interest bearing, redeemable in 4 equal instalments commencing from 51st month(i.e., June 2025) from the disbursement along with redemption premium to be calculated @ 16% IRR.

**Security:**
First ranking charge by way of mortgage over the project land situated at Manjri, Pune (excluding Phase 1) and hypothecation over the receivables/ cashflows arising therefrom and second ranking charge by way of mortgage over Phase 1 of the project land situated at Manjri, Pune and hypothecation over the receivables/ cashflows arising therefrom

**Note B**

**Interest rate :**
The debentures are issued at interest rate of 15% per annum compounded monthly and interest is to be paid on monthly basis at below mentioned rates-
a. At 8% per annum from the date of disbursement upto the expiry of 6 month
b. At 10% per annum from the beginning of 7th month upto the expiry of 12th month.
c. At 12% per annum from the beginning of 13th month upto the expiry of 18th month.
d. At 15% per annum from the beginning of 19th month upto the redemption period.

**Repayment terms :**
The non convertible debentures are to be redeemed in six equal quarterly instalments from the end of 27th month(i.e., Dec 2024) to 42nd month (i.e , March 2026) from the date of disbursement.

**Security:**
First ranking charge by way of mortgage over Phase 1 of the project land situated at Manjri, Pune and hypothecation over the receivables/ cashflows arising therefrom

Note C

**Interest rate:**
The debentures are non interest bearing.

**Repayment terms :**
The non-convertible debentures are non-interest bearing and are redeemable on the 30th day from the occurrence of redemption event along with redemption premium to be calculated @ 25% IRR. Tenure of debentures is 7 years and repayable in March 2028. As at 31 March 2024, the terms have been modified such that the amount accrued using EIR at 25% upto 31 March 2023 will be repayable at the end of 7 years.

**Note D**
As required by Regulation 59 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the prior approvals of Board of Directors, Debenture Trustees and the Lenders for modification in the terms of Listed Non-Convertible Debentures. Further, the Company has also filed for obtaining prior approval of stock exchange to approve such modifications and is confident of obtaining such approval. Pending this, the Company, giving effect of such modifications, has recognised gain on extinguishment of debt amounting to Rs. 4,033.93 lakhs, lower finance cost by Rs. 1,346.72 lakhs, resulting in increase in net income by Rs. 2,687.21 lakhs in the statement of profit and loss for the year ended March 31, 2024.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

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Formerly known as Kumar Housing Township Private Limited
CIN : U45100PN2017PTC170130
Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

**16 Lease liabilities**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Carried at amortised cost | | |
| Non-current | 157.10 | 51.38 |
| Current | 35.64 | 10.88 |
| **Total lease liabilities** | **192.74** | **62.26** |

For details on leases, refer note no. 33 (a)

**17 Trade payables**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Total outstanding dues of micro and small enterprises | 130.99 | - |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 1,709.34 | 218.65 |
| **Total trade payables** | **1,840.33** | **218.65** |

**Trade payable ageing as at March 31, 2024**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 108.56 | - | 21.08 | 1.35 | - | - | 130.99 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 374.73 | 991.05 | 295.71 | 20.04 | 27.81 | - | 1,709.34 |
| (iii) Total disputed outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - | |
| (iv) Total disputed outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | | - | - | |
| Total | 483.29 | 991.05 | 316.79 | 21.39 | 27.81 | - | 1,840.33 |

**Trade payable aging as at March 31, 2023**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | | 218.65 | | | | 218.65 |
| (iii) Total disputed outstanding dues of micro enterprises and small enterprises | | | - | - | - | | |
| (iv) Total disputed outstanding dues of creditors other than micro enterprises and small enterprises | | | - | - | - | | |
| Total | - | - | 218.65 | - | - | - | 218.65 |

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**17 Trade payables (continued)**

**Disclosures under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

In terms of notification dated September 4, 2015 issued by the Central Government of India, the disclosure related trade payables as at March 31, 2024 are as follows:

| Particular | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any<br>- Principal amount due to micro and small enterprises<br>- Interest due on above* | <br>130.99<br>0.98 | <br>-<br>- |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.* | 1.92 | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| 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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.* | 6.81 | - |

* The interest has not been provided in the books of accounts.

**Note:**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management

Trade payables are non-interest bearing and are normally settled on 30 days terms.

There are no payables to related parties.

**18 Other financial liabilities**

| Other financial liabilities | Non current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Consideration payable against acquisition of shares * | 18,859.01 | 20,544.19 | - | |
| Interest accrued but not due on above | 6,272.27 | 3,146.90 | - | |
| Payables for purchase of property, plant & equipment | | | 115.47 | 7.34 |
| **Total other financial liabilities** | 25,131.28 | 23,691.09 | 115.47 | 7.34 |

* The balance represent the amount payable to Bluebonnet Builders and Developers Private Limited (Bluebonnet) for the acquisition of shares of Malnad Projects Private Limited (refer note no. 43 (iii) ), as assigned by Total Environment Building Systems Private Limited through assignment deed dated September 26, 2022. Key terms associated with the balance outstanding are as below-

a. The balance is payable in 4 quarterly instalments from 57th month to 66th Month from the date of execution of Securities purchase agreement dated March 31, 2022

b. The balance is payable along with return calculated at internal rate of return of 16%.

c. The balance is secured as follows:

i) second ranking charge by way of mortgage over the project land situated at Manjri, Pune (excluding Phase 1) and hypothecation over the receivables/ cashflows arising therefrom and

ii) third ranking charge by way of mortgage over Phase 1 of the project land situated at Manjri, Pune and hypothecation over the receivables/ cashflows arising therefrom

**19 Provisions**

| Particulars | Non - current | | Current | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **Provision for employee benefits** | | | | |
| Net Defined Benefit Liability- Gratuity (refer note 32) | 14.80 | | 0.04 | - |
| Compensated absences | - | - | 9.06 | |
| **Total employee benefit obligations** | 14.80 | - | 9.10 | |

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(All amounts in INR lakhs, unless otherwise stated)

## 20 Current Borrowings

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Carried at amortised cost | | |
| Non-Convertible Debentures (NCDs) | | |
| (Secured) | | |
| 10,00,000 (March 31, 2023 : 5,00,000) - Non-convertible Debentures (NCD) of Rs. 1000 each | 3,333.33 | - |
| Interest accrued but not due | 517.69 | 188.86 |
| (refer note no 16B for terms) | | |
| **Total current borrowings** | 3,851.02 | 188.86 |

## 21 Other liabilities

| Particulars | Current | |
|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 |
| Statutory dues payable | 427.60 | 371.64 |
| Other liabilities | 24.46 | 153.96 |
| **Total other liabilities** | 452.06 | 525.60 |

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## 22 Revenue from operations

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| | | |
| **Revenue from contracts with customers** | | |
| Sale of land | 60.00 | - |
| **Total revenue from operations** | **60.00** | - |

### 22.1 Disaggregated revenue information

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Revenue from real estate development** | | |
| Revenue recognised at a point in time | 60.00 | - |

### 22.2 Contract balances

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Trade receivables | - | 130.95 |
| **Contract liabilities*** | | |
| At the beginning of the reporting period | - | - |
| Change due to collections received during the year | 3,936.80 | - |
| At the end of the reporting period | **3,936.80** | - |

Trade receivables are non-interest bearing.

* Contract liabilities include advances received from customers representing transaction price allocated to unsatisfied performance obligations

### 22.3 Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Revenue as per contracted price | 60.00 | - |
| **Revenue from operations** | **60.00** | - |

### 22.4 Performance obligations

Information about the Company's performance obligations are summarised below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the year: ** | 3,936.80 | - |

** The Company engaged primarily in the business of real estate development.
All the Contracts entered with the customers consists of a single performance obligation thereby the consideration allocated to the performance obligation is based on standalone selling prices.
Revenue is recognised upon transfer of control of residential units and land portion to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units and land portions. The trigger for revenue recognition is the transfer of physical possession of the residential unit and land to the customer. The above amount would be recognised as revenue at a point in time when performance obligation is completed.
The revenue is measured at the transaction price agreed under the contract.
The Company has received advances from customer amounting to 3,936.80 lakhs which will be recognised as revenue after a period of 2 years.

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## 23 Other Income

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Interest income | | |
| -On term deposits | 73.95 | 593.95 |
| -On security deposits | 0.30 | - |
| -On inter corporate deposits | 0.74 | - |
| Other non-operating income | | |
| -Gain on extinguishment of debt (refer note- 15 D) | 4,033.93 | |
| -Gain on redemption of preference shares | - | 200.00 |
| -Net foreign exchange difference | - | 2.41 |
| Liabilities written back | 152.14 | - |
| **Total other income** | **4,261.06** | **796.36** |

## 24 Cost of land

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Cost of land | 82.84 | - |
| **Total cost of land** | **82.84** | - |

| | | |
|---|---|---|
| Inventory at the begining of the year | 63,721.47 | 60,979.37 |
| Add:- Construction cost incurred during the year (including direct expenses) | 6,988.35 | 2,742.10 |
| Less - Inventory at the end of the year | 69,512.40 | 63,721.47 |
| Adjustments for release of land against the liability towards purchase of shares of Malnad Project Private limited. (refer note 43 (iii) ) | 1,153.60 | - |
| **Cost of land** | **43.82** | - |

## 25 Employee benefits expense

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Salaries and wages | 139.78 | 3.30 |
| Contribution to provident and fund (refer to note 32) | 7.34 | |
| Gratuity expense (refer to note 32) | 4.85 | |
| Compensated absences (refer note 32) | 9.06 | |
| Staff welfare expense | 5.44 | |
| **Total employee benefits expense** | **166.47** | **3.30** |

## 26 Finance costs

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Bank charges | 3.62 | 0.87 |
| Interest on | | |
| -Borrowings | 8,120.51 | 8,017.45 |
| -Lease liabilities (refer note 33) | 22.92 | 10.52 |
| -Inter corporate borrowings | 2.02 | |
| - Others | 3,125.12 | 3,496.55 |
| **Total finance costs** | **11,274.19** | **11,525.39** |

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## 27 Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Depreciation on property, plant and equipment | 233.95 | 7.70 |
| Depreciation on right-of-use assets (refer note 33) | 33.73 | 14.55 |
| **Total depreciation and amortisation expense** | **267.68** | **22.25** |

## 28 Other expenses

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Legal and professional fees | 248.23 | 568.80 |
| Repairs and maintenance | | |
| - Plant and machinery | 1.35 | - |
| - Vehicle | 1.34 | - |
| - Others | 1.14 | - |
| Office expenses | 14.50 | 23.41 |
| Rates and taxes | 539.51 | 99.82 |
| Printing and stationery | 8.40 | 6.64 |
| Advertisement and marketing expenses | 1,820.99 | 1.65 |
| Donation | 32.51 | - |
| Travelling and conveyance | 22.76 | 5.23 |
| Facility management expenses | 52.01 | 5.48 |
| Electricity expenses | 13.72 | 0.99 |
| Security and housekeeping expenses | 91.39 | 11.10 |
| Loss on disposal of property, plant and equipment | 3.48 | |
| Payment to auditors (refer note below) | 40.40 | |
| Impairment allowance on financial instruments(allowance for doubtful debts) | 130.95 | - |
| Contribution to corporate social responsibility (also refer note 35) | | 8.28 |
| Miscellaneous expenses | 111.89 | 34.32 |
| **Total other expenses** | **3,134.57** | **765.72** |

| **Payment to auditors** | | |
|---|---|---|
| Statutory audit fees | 40.11 | |
| Expenses reimbursed | 0.30 | |
| | 40.40 | - |

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## 29 Tax expense

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are.

Statement of profit and loss:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Profit and loss section** | | |
| **Current income tax:** | | |
| Current income tax charge | - | |
| Adjustments in respect of current income tax of earlier years | 86.17 | (14.88) |
| **Deferred tax:** | | |
| On account of change in tax rates | | |
| On account of origination and reversal of temporary differences | 543.19 | (2,871.57) |
| **Income tax expense reported in the statement of profit and loss** | **629.36** | **(2,886.45)** |
| OCI section | | |
| Deferred tax related to items recognised in OCI during the year | | |
| Net loss/(gain) on remeasurements of defined benefit plans | 2.51 | |
| **Deferred tax charged to OCI** | **2.51** | |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Accounting loss before income tax | (10,604.69) | (11,520.30) |
| At statutory income tax rate of 25.17% (31 March 2022: 26%) | (2,669.20) | (2,995.28) |
| Effect of expenses that are not deductible in determining taxable profit | 181.32 | |
| Effect of income that are not taxable in determining taxable profit | (1,015.34) | (52.90) |
| Impact of tax losses not carried over as deferred tax asset | 4,043.90 | 175.71 |
| Income tax related to earlier years | 86.17 | (14.88) |
| **Income tax expense reported in the statement of profit and loss** | **626.85** | **(2,886.45)** |

Deductible temporary difference and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Tax losses (capital assets) | - | 175.71 |
| Deductible temporary differences | 4,043.90 | - |
| **Defered tax asset not recognized** | **4,043.90** | **175.71** |

**Deferred tax**

Deferred tax relates to the following:

| | Balance sheet | | Statement of Profit & Loss | |
|---|---|---|---|---|
| | As at 31-03-2024 | As at 31-03-2023 | For the year ended 31-03-2024 | For the year ended 31-03-2023 |
| Deferred Tax Assets | | | | |
| Lease Liability (net of assets) | 3.60 | 1.37 | (2.23) | (1.37) |
| Property plant and Equipment | 38.49 | 0.32 | (38.17) | (0.28) |
| Inventory | 4,151.75 | 4,743.48 | 591.73 | (2,993.64) |
| on carry forward losses | - | 52.88 | 52.88 | (51.98) |
| Security Deposit | 1.62 | - | (1.62) | - |
| Provision for Doubtful debts | 32.96 | - | (32.96) | - |
| Provision for expenses and others | 28.96 | - | (28.96) | - |
| Deffered tax written off on revaluation reserve | - | - | | 175.71 |
| | 4,257.38 | 4,798.05 | 540.68 | (2,871.56) |
| Deferred Tax Liability | - | - | | |
| **Deferred tax expense/(income)** | | | 540.68 | (2,871.56) |
| **Net deferred tax assets/(liabilities)** | 4,257.38 | 4,798.05 | | |

Reconciliation of deferred tax assets / (liabilities):

| | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Opening balance as of 1 April | 4,798.05 | 1,926.48 |
| Tax expense during the period recognised in profit or loss | (543.19) | 2,871.57 |
| Tax income during the period recognised in OCI | 2.51 | |
| **Closing balance as at 31 March** | 4,257.37 | 4,798.05 |

## 30 Earning Per Share

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Loss for the year | (11,234.05) | (8,633.85) |
| Weighted average number of equity shares (in numbers) | 10,10,000 | 10,10,000 |
| Earnings per share: | | |
| Basic | (1,112.28) | (854.84) |
| Diluted | (1,112.28) | (854.84) |

## 31 Segment Information

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance and hence, is considered to be the Chief Operating Decision Maker ('CODM') of the Company.

The Company is primarily engaged in real estate development. The information reported to the CODM for the purpose of resource allocation and assessment of performance is based on the Company as a whole. Hence, the Company has only one operating segment to assess the performance and allocation of resources.
During the year, the company has entered into one transaction with a single customer amounting to INR 60 lakhs within India only.

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**32 Employee benefits**

**32.1 Defined contribution plan**

**Provident Fund:** The company makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognised INR 7.34 lakhs (31 March 2022 : Nil) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the company are at rates specified in the rules of the schemes

**32.2 Defined benefit plan**

**Gratuity (Non Funded)** : The company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with Payment of Gratuity Act 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment for an amount based on the respective employee's salary and the years of employment with the company The company's liability is acturially determined (using the Projected Unit Credit Method) at the balance sheet date

**Description of risk exposures:**

The plan typically exposes the Company to actuarial risks such as interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| **Salary escalation rate** | Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability |
| **Discount rate** | Reduction in discount rate in subsequent valuations can increase the plan's liability |
| **Mortality and disability** | Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities |
| **Withdrawals** | Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability |

**32.2.1** The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

| **Particulars** | As at March 31, 2024 |
|---|---|
| Opening present value of obligation | |
| Current service cost | 4.85 |
| Interest expense | |
| **Amount recognised in the Statement of profit and loss** | 4.85 |
| Experience loss on plan liabilities | 9.99 |
| **Components of defined benefit costs recognised in other comprehensive income** | 9.99 |
| Benefits paid | - |
| **Closing present value of obligation** | **14.84** |
| | |
| **Net liability recognised in the balance sheet** | |
| Present value of defined benefit obligations | 14.84 |
| **Net liability recognised in the balance sheet** | **14.84** |

**32.2.2 The significant actuarial assumptions are as follows:**

| | **As at March 31, 2024** |
|---|---|
| Discount rate | 7.20% |
| Rate of increase in compensation levels | 10.00% |
| Mortality table | IALM (2012-14) Ult |
| Expected average remaining working lives of employees (in years) | 8.97 |
| Average remaining working life (years) | 21.46 |
| Retirement age | 58 years |
| Withdrawl rate | |
| Age upto 30 years | 9.00% |
| Age 31 - 40 years | 9.00% |
| Age 41 - 50 years | 9.00% |
| Age above 50 years | 9.00% |

**Note:** The company assesses the assumptions with its projected long-term plans of growth and prevalent industry standards. The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The discount rate is based on the prevailing market yields of Government Bonds as at the balance sheet date for the estimated term of the obligations. The currency and the term of the government bonds is consistent with the currency and term of the defined benefit obligation

**32.2 Employee benefits (continued)**

**32.2.3 Sensitivity Analysis**

**Liability towards Defined benefit obligation - Gratuity**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

| Discount rate | 31.03.2024<br>Present value of obligation ( in INR ) |
|---|---|
| 6.20% | 16,10,530 |
| 8.20% | 13,74,602 |

**B. Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point**

| Salary increment rate | 31.03.2024<br>Present value of obligation ( in INR ) |
|---|---|
| 9.00% | 13,88,928 |
| 11.00% | 15,91,443 |

**C. Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point**

| Withdrawl rate | 31.03.2024<br>Present value of obligation ( in INR ) |
|---|---|
| 8.00% | 15,05,419 |
| 10.00% | 14,65,841 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet

**32.2.4 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 ending March 31 | Expected Benefit Payment rounded to nearest lakhs ( in INR ) |
|---|---|
| 2025 | 30.00 |
| 2026 | 80.00 |
| 2027 | 110.00 |
| 2028 | 760.00 |
| 2029 | 5,170.00 |
| 2030 - 2034 | 5[illegible],250.00 |

**32.2.5 Expected contributions for the next year**

The plan is unfunded as on the valuation date

**32.2.6 Expected expense to be recognised in profit and loss account for next year**

| For the period | April 01, 2024 to March 31, 2025 |
|---|---|
| Service cost | 18.76 |
| Net interest cost | 1.07 |
| Expected expense for next year | 19.83 |

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 13.08 years.

**Compensated Absences:** Compensated absences for employee benefits of INR 9.06 lakhs (March 31, 2023 : Nil) expected to be paid in exchange for the services recognised as an expense during the year

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## 33 Leases

### Company as a lessee

The Company's leases primarily consists of land and building. The company has entered into non-cancellable operating leases in respect of land and building,which is for a period upto 5 years. The terms of the said leases include terms for renewal, increase in rents in future periods and terms of cancellation. The Company's obligations under its leases are secured by the lessor's title to the assets.

(a) Set out below are the carrying amounts of lease liabilities and the movements during the period:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening balance** | 62.26 | |
| Additions | 148.44 | 71.54 |
| Accretion of interest | 22.92 | 10.52 |
| Payments | (40.88) | (19.80) |
| **Closing balance** | **192.74** | **62.26** |
| **Current** | 35.64 | 10.88 |
| **Non-current** | 157.10 | 51.38 |

**Maturity analysis of lease liabilities-**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Within one year | 63.14 | 19.80 |
| Later than one year but not later than two years | 65.37 | 20.54 |
| Later than two years but not later than five years | 132.76 | 43.64 |
| | **261.27** | **83.99** |

The effective interest rate for lease liabilities is 16%, with maturity ranges between 2022-2028.

(b) **The following are the amounts recognised in Statement of profit and loss:**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Depreciation expense of right of use assets (Note 28) | 33.73 | 14.55 |
| Interest expense on lease liabilities (Note 27) | 22.92 | 10.52 |
| Expense relating to short term leases (included in other expenses) | 4.93 | - |
| | **62.00** | **25.00** |

The Company had total cash outflows for leases of INR 40.88 lakhs in 31 March, 2024 (31 March, 2023: INR 19.80 lakhs). The non-cash additions to lease liabilities during the year is INR 148.44 lakhs (31 March 2023: INR 71.54 lakhs)
There are no future cash outflows relating to leases that have not yet commenced.

## 34 Contingent liabilities and commitments

### a) Contingent liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| -The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business, including certain litigation for lands acquired by it for construction purposes. These cases are pending with various courts and are scheduled for hearings. The management believes that these cases will not adversely effect its financial statements. | - | - |

### b) Commitments

The company have any capital commitments of INR 691.77 lakhs as at March 31, 2024 (March 31, 2023 : Nil).

### c) Guarantees

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| The Company has given corporate guarantees on the non-convertible debentures issued by Total Environment Habitat Private Limited | | |
| - Issued during the year | - | 24,000.00 |
| - Balance outstanding at the end of the year | - | 24,000.00 |
| The Company has given corporate guarantees on the non-convertible debentures issued by Bluebonnet Builders and Developers Private Limited | | |
| - issued during the year | 25,131.28 | - |
| - Balance outstanding at the end of the year | 25,131.28 | |

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**35 Details of CSR expenditure:**

The company is not liable to contribute towards corporate social responsibilty (CSR) as per section 135 of the Companies Act, 2013 for the year ended March 31, 2024. During the year, the company has contributed toward CSR for earlier years as below-

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| (a) Gross amount required to be spent by the company for the year | - | 4.34 |
| (b) Amount approved by the Board to be spent during the year | - | - |
| (c) Gross amount required to be spent by the company for the earlier years | 8.28 | 3.94 |
| **(c) Amount spent during the year :** | | |
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 8.28 | - |
| **(d) Details related to amount spent :** | | |
| i) Contribution to Public Trust | 3.94 | - |
| ii) Contribution to Charitable Trust | 4.34 | - |
| (e) Shortfall at the end of the year | - | 8.28 |
| (f) Total of previous years shortfall | - | 3.94 |
| (f) Reason for shortfall | NA | - |
| (g) Nature of CSR activities | refer note below | - |
| (h) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard | - | - |

The contribution during the year includes payment to Prime Minister care fund for INR 3.94 lakhs and contribution to a charitable trust, which is engaged in providing medical services.

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**36 Related Party Transactions**

**a) Names of related parties and description of relationship :**

| Name of the party | Relationship with the company |
|---|---|
| Kumar Properties and Housing Development Private Limited | Enterprises owned or significantly influenced by key management personnel or their relatives |
| Pegasus Properties Private Limited | |
| Kumar Properties and Developers LLP | |

**The following are the key managerial personnel of the Company :**

| Name of the related party | Designation |
|---|---|
| Manish Vimalkumar Jain | Promoter and key managerial personnel (Director) |
| Yogesh Yeshwant Bhave | Key managerial personnel (Director) |

**b) Summary of transaction with related parties :**

| Name of related party | Nature of transaction | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| Kumar Properties and Housing Development Private Limited | Security deposit returned | 272.90 | - |
| | Reimbursement of expenses paid | 6.63 | - |
| | Trade advances given | - | 688.60 |
| | Trade advances returned | - | 2,182.59 |
| Kumar Properties and Developers LLP | Rent paid | 28.32 | - |
| Pegasus Properties Private Limited | Loan received | 150.00 | - |
| | Loan repaid | 150.00 | - |
| | Interest Paid | 2.02 | - |
| | Loan given | 84.00 | - |
| | Loan returned | 84.00 | - |
| | Interest Received | 6.74 | - |
| | Reimbursement of expenses received | 111.51 | - |
| | Reimbursement of expenses paid | 85.95 | - |
| Manish Vimalkumar Jain | Trade advances given | - | 594.96 |
| | Keyman insurance policy premium paid | 5.46 | - |
| | Director travelling expenses | 18.75 | - |
| | Trade advances returned | - | 594.96 |

**c) Outstanding balances as at balance sheet date**

| Name of related party | Nature | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Assets** | | | |
| Kumar Properties and Housing Development Private Limited | Security desposit given | - | 272.90 |
| **Liability** | | | |
| Manish Vimalkumar Jain | Non-convertible debenture at amortised cost | 4,289.13 | 2,731.51 |

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## 37 Fair value measurements

### 37.1 Financial instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2024

| Particulars | Amortised Cost | Total carrying value | Total fair value |
|---|---|---|---|
| **Financial assets** | | | |
| Cash and cash equivalents | 493.58 | 493.58 | 493.58 |
| Other financial assets | 85.62 | 85.62 | 85.62 |
| **Total financial assets** | **579.20** | **579.20** | **579.20** |
| **Financial liabilities** | | | |
| Borrowing | 69,251.88 | 69,251.88 | 69,251.88 |
| Lease liabilities | 192.74 | 192.74 | 192.74 |
| Trade payables | 1,840.33 | 1,840.33 | 1,840.33 |
| Other financial liabilities | 25,246.75 | 25,246.75 | 25,246.75 |
| **Total financial liabilities** | **96,531.70** | **96,531.70** | **96,531.70** |

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2023

| Particulars | Amortised Cost | Total carrying value | Total fair value |
|---|---|---|---|
| **Financial assets** | | | |
| Trade receivables | 130.95 | 130.95 | 130.95 |
| Cash and cash equivalents | 1,280.95 | 1,280.95 | 1,280.95 |
| Other financial assets | 347.36 | 347.36 | 347.36 |
| **Total** | 1,759.26 | 1,759.26 | 1,759.26 |
| **Financial liabilities** | | | |
| Borrowing | 59,647.61 | 59,647.61 | 59,647.61 |
| Lease liabilities | 62.26 | 62.26 | 62.26 |
| Trade payables | 218.65 | 218.65 | 218.65 |
| Other financial liabilities | 23,698.43 | 23,698.43 | 23,698.43 |
| **Total** | **83,626.95** | **83,626.95** | **83,626.95** |

There are no financial assets or liabilities which are measured at FVTPL/FVTOCI.

**Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair value of financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair values are disclosed in the financial statements. The following methods and assumptions were used to estimate the fair values:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same. Instrument nor are they based on available market data.

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

**Note -**

The carrying amounts of trade receivables, cash and cash equivalents, loans, other financial assets, trade payables and other financial liabilities are considered to be the same as fair values, due to their short term nature.

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### 37.2 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, lease liabilities, trade payables, and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits, trade and other receivables, cash and cash equivalents and other financial assets that are derived directly from its operations.

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. **Market risk**

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

**Interest risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has fixed rate borrowings which are carried at amortised cost therefore are not subject to interest rate risk defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

**Foreign currency risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company do not have any foreign currency payables or receivables, therefore is not exposed to anv foreign exchange risk.

**Price risk**

The company do not have anv investment in quoted securities or other equity instruments. Thus, the company is not exposed to any price risk.

b. **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

**Trade receivables**

Customer credit risk is managed subject to the company's established policy, procedures and control relating to customer credit risk management. Outstanding receivables are regularly monitored for any expected default in repayment. The company does not hold collateral as security.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Company uses ageing buckets and provision matrix for the purpose of computation of expected credit loss. The provision rates are based on past trend of recoverability. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

**Financial instruments and cash deposits**

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks.

c. **Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 days. The other financial liabilities are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| Particulars | Less than 1 year | 1 - 2 years | 2 - 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| As at March 31, 2024 | | | | | |
| Borrowings | 4,955.28 | 76,786.21 | 7,731.51 | - | 89,473.00 |
| Lease liabilities | 63.14 | 65.37 | 132.76 | - | 261.27 |
| Trade payables | 1,840.33 | - | - | - | 1,840.33 |
| Other financial liabilities | 115.47 | | 39,783.47 | | 39,898.94 |
| | 6,974.23 | 76,851.58 | 47,647.74 | - | 1,31,473.55 |
| As at March 31, 2023 | | | | | |
| Borrowings | 976.13 | 4,955.28 | 84,517.72 | - | 90,449.13 |
| Lease liabilities | 19.80 | 20.54 | 43.64 | | 83.99 |
| Trade payables | 218.65 | - | | - | 218.65 |
| Other financial liabilities | 7.34 | - | 43,505.97 | | 43,513.32 |
| | 1,221.92 | 4,975.82 | 1,28,067.34 | - | 1,34,265.09 |

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**38 Capital management**

Capital includes equity share capital and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise the shareholder's value. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. The Company has complied with those covenants throughout the reporting period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long-term and short-term loans and borrowings (including current maturities of long-term borrowings) less cash and cash equivalents.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Borrowings (including current maturities) | 69,444.62 | 59,898.73 |
| Less: Cash and cash equivalents | (493.58) | (1,280.95) |
| **Net debt (A)** | 68,951.04 | 58,617.78 |
| Equity | (24,180.08) | (12,938.55) |
| **Capital and net debt (B)** | 44,770.96 | 45,679.23 |
| **Gearing ratio [(A)/(B)]** | 1.54 | 1.28 |

**39 Events after the reporting date**

There has been no events after the reporting date that require disclosure in the financial statements.

40 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

41 The company maintains its books of account, other books and papers in electronic mode and these books of accounts are accessible in India at all times. However, the back up of the document management system has not been maintained on servers physically located in India on daily basis.

42 The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

**43 Additional regulatory informations**

(i) The Company does not own benami properties. Further, there are no proceedings which have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The company does not have any intangible assets under development.

(iii) **Amalgamation of Malnad Projects Private Limited (Transferor Company) with Malnad Projects India Private Limited (Transferee Company)**

The Scheme of Amalgamation under sections 230-232 of Companies Act, 2013 ('the Scheme') between the Company and and Malnad Projects Private Limited ("MPPL") with an appointed date of April 01, 2022, was approved by the National Company Law Tribunal ('NCLT') vide its order dated June 23, 2023.

Following is the assets and liabilities merged with the Company.

| Particulars | As at April 01, 2022 (in lakhs) |
|---|---|
| **Assets** | |
| Land | 59,807.60 |
| Furniture and fixtures | 1.44 |
| Office equipments | 0.02 |
| Deferred tax assets (net) | 176.47 |
| Trade receivable | 130.95 |
| Cash and cash equivalents | 4.72 |
| Other financial assets | 365.37 |
| **Total assets (A)** | 60,486.57 |
| **Liabilities** | |
| Borrowings | 1,160.40 |
| Trade payables | 17.86 |
| Other current liabilities | 1,892.14 |
| **Total liabilities (B)** | 3,070.40 |
| **Net assets acquired** | 57,416.11 |
| **Consideration paid** | 57,416.11 |

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(iv) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(v) The Company has not traded or invested in Crypto currency or Virtual Currency.

(vi) The Company did not have any transaction with struck off companies as per section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(vii) The Company has not been declared as wilful defaulter by any bank or financial institution

(viii) The Company is compliant with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Company has not borrowed from banks or financial institutions funds for working capital

(x) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period except for the charge as mentioned below for which the Company has already filed the Charge but the same is yet to be registered with ROC.

| Particulars of charge | Date of creation of charge | Maximum amount secured by the charge (in lakhs) | Secured by |
|---|---|---|---|
| Charge created on land against liability towards Bluebonnet Builders Private Limited | March 01, 2024 | 22,116.56 | 1.Second ranking charge by way of mortgage over the land admeasuring approximately 137.43 acres situated at Manjri, Pune ("Project Land A") (except Phase I Land) along with receivables arising there from, as more particularly specified in the attached Indenture of Mortgage executed on 1st March 2024. 2. Second ranking charge by way of mortgage over the land admeasuring approximately 3.98 acres situated at Manjri Pune ("Project Land B") (except Phase I Land) along with receivables arising there from, as more particularly specified in the attached Indenture of Mortgage executed on 1st March 2024. 3. Third ranking charge by way of mortgage over the land admeasuring approximately 25.72 acres situated at Manjri, Pune ("Phase I Land") along with receivables arising there from, as more particularly specified in the attached Indenture of Mortgage executed on 1st March 2024. |

(ix) The Company has not used any of the borrowings from banks and financial institutions for purposes other than for which it was taken at the balance sheet date.

(x) The proceeds obtained by the Company from the issue of non-convertible debentures have been applied for the purposes for which such non-convertible debentures were issued.

(xiii)
(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding , whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xiv) As per the requirement of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However the said feature was not enabled during the period April 01, 2023 to March 31, 2024. The Company is in the process of establishing necessary controls and documentations regarding audit trail feature in the accounting software.

14 The previous year figures in the financial statements, including the notes thereto, have been reclassified/regrouped wherever required to confirm to the current year presentation/classification. These are not material and do not affect the previously reported net profit or equity.

| Sr. No | Particulars | Nature of reclassification | Amount (March 31, 2023) (in INR Lakhs) | Reasons |
|---|---|---|---|---|
| 1 | Deposits paid to Kumar Housing Developers Private Limited | Reclassified from current loans to other non-current financial assets | 272.90 | |
| 2 | Security Deposits paid with respect to leasehold land | Reclassified from current loans to other non-current financial assets | 3.00 | for more appropriate presentation in line with Sch III and Ind AS requirements |
| 2 | Income tax paid | Reclassified from other current assets to non current tax assets | 30.70 | |
| 3 | Advances to suppliers | Reclassified from other current assets to other current financial assets | 16.35 | |
| 4 | Payable for purchase of property, plant and equipment | Reclassified from trade payable to other current financial liabilities | 7.34 | |

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45 Ratios to the financial statements are annexed.

| Particulars | Numerator | Denominator | As at March 31,2024 | As at March 31,2023 | % change | Remarks |
|---|---|---|---|---|---|---|
| (a) Current ratio | Current Assets | Current Liabilities | 11.19 | 68.84 | -83.74% | Due to increase in current liabilities during the current financial year due to current maturity of borrowings and trade payables |
| (b) Debt-equity ratio | Total Debt | Shareholder's Equity | (2.87) | (4.63) | -38% | Decrease is due to increase in accumated interest expense |
| (c) Debt service coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | (0.32) | 0.00 | -32100% | Movement is due to loss incurred in current financial year |
| (d) Return on equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 0.61 | 1.00 | -39.51% | Movement is due to loss incurred in current financial year |
| (e) Inventory turnover ratio | Cost of services, construction and land | Average Inventory | 0.00 | NA | 100.00% | Movement is due to land sold in current year |
| (f) Trade receivables turnover ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 0.92 | NA | NA | Movement is due to land sold in current year |
| (g) Trade payables turnover ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 5.16 | 1.40 | 268.66% | Movement is due to increase in construction cost in current year |
| (h) Net capital turnover ratio | Net sales = Total sales - sales return | Average Working capital | 0.00 | NA | NA | Movement is due to land sold in current year |
| (i) Net profit ratio | Net Profits after taxes | Total Income | (2.60) | (10.84) | NA | Movement is due to land sold in current year |
| (j) Return on capital employed | Earnings before interest and taxes | Average Capital Employed = Tangible Net Worth + Total Debt | 1.45% | 0.01% | 12607.13% | Increase is due to extinguishment of non convertible |
| (k) Return on investment | Interest income on fixed deposit | Average investments in fixed deposit | 11.39% | 3.30% | 245.11% | Movement is due to utilisation of fixed desposit amount for project |

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no.: 324982E/ E300003

per Amit Singh
Partner
Membership no.: 408869
Place: Pune
Date: May 28, 2024

For and on behalf of the board of directors of
Malnad Project (I) Private Limited

Manish V Jain
Chairman and Director
DIN : 00037571
Place: Pune
Date: May 28, 2024

Yogesh Bhave
Director
DIN : [illegible]
Place: Pune
Date: May 28, 2024

K. V. Jagdale

Komal Jagdale
Company Secretary & Compliance Officer
Membership no.: 65191
Place: Pune
Date: May 28, 2024