Godrej Realty Private Limited

Balance Sheet
As at March 31, 2022

(Currency in INR Thousands)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	*3*	**222.18**	222.18
Deferred Tax Assets (Net)	*4*	**-**	-
Income Tax Assets (Net)		**1,006.43**	1,006.43
Total Non-Current Assets		**1,228.61**	1,228.61
Current Assets			
Inventories	*5*	**-**	-
Financial Assets			
Cash and Cash Equivalents	*6*	**1.93**	4.50
Other Current Non Financial Assets	*7*	**4.83**	1.48
Total Current Assets		**6.76**	5.98
TOTAL ASSETS		**1,235.37**	1,234.59
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	*8*	**17,350.00**	17,350.00
Other Equity		**(83,348.34)**	(76,688.40)
Total Equity		**(65,998.34)**	(59,338.40)
LIABILITIES			
Current Liabilities			
Financial Liabilities			
Borrowings	*9*	**66,257.24**	60,176.20
Trade Payables			
total outstanding dues of micro enterprises and small enterprises (refer note 21)		**-**	
total outstanding dues of creditors other than micro enterprises and small enterprises	*10*	**841.48**	314.43
Other Current Non Financial Liabilities	*11*	**134.99**	82.36
Total Current Liabilities		**67,233.71**	60,572.99
TOTAL EQUITY AND LIABILITIES		**1,235.37**	1,234.59
Significant Accounting Policies	*2*		

The accompanying notes 1 to 22 form an integral part of these Financial Statements.

As per our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Godrej Realty Private Limited
CIN: U70100MH2005PTC154268

Jaymin Seth
Partner
Membership No: 114583

Mumbai

AMANDEEP SINGH
Director
DIN: 07144214

Mumbai

RABI KANT SHARMA
Director
DIN: 06942339

Mumbai

Godrej Realty Private Limited

Statement of Profit and Loss

For the Year ended March 31, 2022

(Currency in INR Thousands)

Particulars	*Note*	**For the Year ended March 31, 2022**	For the Year ended March 31, 2021
EXPENSES			
Change in Inventories of Construction Work-In-Progress	*12*	**-**	79,677.67
Finance Costs	*13*	**5,423.17**	1,484.55
Other Expenses	*14*	**1,236.77**	1,600.91
Total Expenses		**6,659.94**	82,763.13
Loss Before Tax		**(6,659.94)**	(82,763.13)
Tax Expense			
Current Tax	*4(a)*	**-**	-
Deferred Tax	*4(b)*	**-**	-
Total Tax Expense		**-**	-
Loss for the Year		**(6,659.94)**	(82,763.13)
Other Comprehensive Income			
Items that will not be subsequently reclassified to profit or loss		-	-
Remeasurements of the defined benefit plan			
Tax on above	*4(b)*		
Other Comprehensive Income for the Year (Net of Tax)		**-**	-
Total Comprehensive Income for the Year		**(6,659.94)**	(82,763.13)
Earnings Per Share (Amount in INR)			
Basic	*15*	**(3.84)**	(47.70)
Diluted	*15*	**(3.84)**	(47.70)
Significant Accounting Policies	*2*		

The accompanying notes 1 to 22 form an integral part of these Financial Statements.

As per our report of even date.

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Godrej Realty Private Limited

Statement of Changes in Equity
For the Year ended March 31, 2022

(Currency in INR Thousands)

a) Equity Share Capital

Particulars	**As at March 31, 2022**	As at March 31, 2021
Balance at the beginning of the year	**17,350.00**	17,350.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	**17,350.00**	17,350.00

b) Other Equity

Particulars	Reserve and Surplus			Total
	Equity component of 1% Optionally Convertible Debentures (Refer note (a)	Debenture Redemption Reserve (refer Note (b) below)	Retained Earnings (refer Note (c) below)	
Balance as at April 1, 2020	74,582.06	20,611.16	(1,02,470.75)	(7,277.53)
Total Comprehensive Income:				
i) Loss for the year	13,352.26	-	(82,763.13)	(69,410.87)
Balance as at March 31, 2021	87,934.32	20,611.16	(1,85,233.88)	(76,688.40)

Particulars	**Reserve and Surplus**			**Total**
	Equity component of 1% Optionally Convertible Debentures (Refer note (a)	**Debenture Redemption Reserve (refer Note (b) below)**	**Retained Earnings (refer Note (c) below)**	
Balance as at April 1, 2021	**87,934.32**	**20,611.16**	**(1,85,233.88)**	**(76,688.40)**
Total Comprehensive Income:				
i) Loss for the year	**-**	**-**	**(6,659.94)**	**(6,659.94)**
Balance as at March 31, 2022	**87,934.32**	**20,611.16**	**(1,91,893.82)**	**(83,348.34)**

(a) Equity Component of Compound Financial Instruments

The Company has issued Optionally Convertible Debentures ("OCD") which got converted into compulsory convertible debentures ("CCD") on June 30, 2019. Such amounts received were classified as financial liability with reference to the terms and conditions attached with such debentures. Financial liability is recognised at fair value which represents the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument with a similar credit rating. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Further, on March 30, 2021 the Board decided to extend the Maturity of CCD by a further period of 3 years from March 31, 2021 therby resulting in increase in equity component to give effect of extension of 3 years.

(b) Debenture Redemption Reserve

The Company has issued Redeemable Non-Convertible Debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the Company to create Debenture Redemption Reserve out of profits of the Company available for payment of dividend.

(c) Retained Earnings

Retained earnings are the profit / loss that the Company has earned till date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

The accompanying notes 1 to 22 form an integral part of these Financial Statements.

As per our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
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RABI KANT SHARMA
Director
DIN: 06942339

Godrej Realty Private Limited

Statement of Cash Flows

For the Year ended March 31, 2022

(Currency in INR Thousands)

Particulars	For the Year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow from Operating Activities		
Loss Before Tax	**(6,659.94)**	(82,763.13)
Adjustments for:		
Finance Costs	**5,423.17**	1,484.55
Operating loss before Working Capital Changes	**(1,236.77)**	(81,278.58)
Changes in Working Capital:		
Increase / (Decrease) in Non Financial Liabilities	**52.63**	(10.93)
Increase / (Decrease) in Financial Liabilities	**527.05**	(7.57)
Decrease in Inventories	**-**	79,677.67
(Increase) in Non Financial Assets	**(3.35)**	(1.48)
	576.33	79,657.69
Taxes Paid (net)	**-**	-
Net cash flows (used in) Operating Activities	**(660.44)**	(1,620.89)
Cash Flow from Investing Activities		
Interest Received	**-**	-
Net cash flows generated from Investing Activities	**-**	-
Cash Flow from Financing Activities		
Proceeds from Short-term Borrowings (net)	**792.87**	1,459.17
Interest paid	**(135.00)**	(114.27)
Net cash flows generated from Financing Activities	**657.87**	1,344.90
Net Decrease in Cash and Cash Equivalents	**(2.57)**	(275.99)
Cash and Cash Equivalents - Opening Balance	**4.50**	280.49
Cash and Cash Equivalents - Closing Balance	**1.93**	4.50

Notes :

(a) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows".

(b) Reconciliation of Cash and Cash Equivalents as per the Statement of Cash Flows.
Cash and Cash Equivalents as per the above comprise of the following:

Particulars	**For the Year ended March 31, 2022**	For the year ended March 31, 2021
Cash and Cash Equivalents (refer Note 6)	**1.93**	4.50
Cash and Cash Equivalents as per Statement of Cash Flows	**1.93**	4.50

(c) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

Reconciliation of liabilities arising from financing activities

Particular	**As at April 1, 2021**	**Changes in Statement of Cash Flows**	**Non Cash Changes**			**As at March 31, 2022**
				Interest Converted into Loan	**Fair Value Changes**	
Short-term borrowings	**60,176.20**	**792.87**	**-**	**1,215.00**	**4,073.17**	**66,257.24**

Reconciliation of liabilities arising from financing activities

Particular	As at April 01, 2020	Changes in Statement of Cash Flows	Non Cash Changes			As at March 31, 2021
				Interest Converted into Loan	Fair Value Changes	
Short-term borrowings	70,699.91	1,459.17	-	1,370.28	(13,352.26)	60,176.20

The accompanying notes 1 to 22 form an integral part of these Financial Statements.

As per our report of even date.

For B S R & Co. LLP
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DIN: 06942339

Mumbai

Note 1

I. Company Overview

Godrej Realty Private Limited ("the Company") having CIN U70100MH2005PTC154268, is engaged primarily in the business of real estate construction, development and other related activities. The Company is domiciled in India having its registered office at Godrej One, 5th Floor, Pirojshahnagar, Eastern Express Highway, Vikhroli, Mumbai-400079.

II. Basis of preparation and measurement

a) Statement of compliance

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions and amendments, as applicable.

These financial statements of the Company for the year ended March 31, 2022 were authorised for issue by the company's Board of Directors on ---------.

b) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the thousands, unless otherwise stated.

c) Basis of measurement

These financial statements have been prepared on historical cost basis except certain financial instruments measured at fair value.

d) Going Concern

The Company has been incorporated for a proposed project, the project being in various stages of evaluation. The Company is incorporated to enable investments as and when definitive agreements for projects are executed, and hence during the initial years, whilst the project feasibility analysis is in process, the Company incurs losses in relation to the compliance and establishment costs as per applicable laws. Based on the financial support extended by Godrej Properties Limited (Shareholder of the Company), the Management believe that the Company will continue to operate as a going concern for the foreseeable future, realise its assets and meet all its liabilities as they fall due for payment, in the normal course of business. In case of any fund requirement for development of continuing operation of company, shareholders shall fund/arrange fund in form of Equity/Loan.

Note 1 *(Continued)*

II. Basis of preparation and measurement *(Continued)*

e) Operating cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realisation of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

f) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the use of estimates, judgements and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

- *Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition*

  Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined.

- *Evaluation of Net realisable Value of Inventories*

  Inventories comprising of construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the financial statements for the period in which such changes are determined.

- *Useful life and residual value of property, plant and equipment*

  Useful lives of tangible are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II of the Act, they are based on internal technical evaluation. Assumptions are also made, when the Company

Note 1 *(Continued)*

II. Basis of preparation and measurement *(Continued)*

f) Use of Estimates and Judgements *(Continued)*

assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised

The estimation of residual values of assets is based on management's judgement about the condition of such asset at the point of sale of asset.

- *Fair value measurement of financial instruments*

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

- *Recognition of deferred tax asset*

  The deferred tax assets in respect of brought forward business losses is recognised based on reasonable certainty of the projected profitability, determined on the basis of approved business plans, to the extent that sufficient taxable income will be available to absorb the brought forward business losses.

- *Provisions and contingencies*

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

g) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data.

Note 1 *(Continued)*

II. Basis of preparation and measurement *(Continued)*

g) Measurement of fair values (*Continued*)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2. Significant Accounting Policies

h) Property, plant and equipment and depreciation

i) *Recognition and Measurement:*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised from the financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment recognised in the statement of profit and loss in the year of occurrence.

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment of the

2. Significant Accounting Policies *(Continued)*

h) Property, plant and equipment and depreciation (*Continued*)

Company has been provided using the written down value method based on the useful lives specified in Schedule II of the Act.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

i) Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment loss is recognised for such excess amount. The impairment loss is recognised as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets, such reversal is not recognised.

j) Financial instruments

I. Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

The Company recognises financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

2. Significant Accounting Policies *(Continued)*

j) Financial instruments *(Continued)*

Subsequent measurement

For the purpose of subsequent measurement, the financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through profit or loss
- Equity investments

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

b) Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

I. *Financial assets (Continued)*

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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

A debt investment is measured at FVOCI if it meets both of the following conditions or is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cashflow and selling financial assets, and
- The contractual terms of the financial assets give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at Fair Value through Profit or Loss

Debt instruments included in the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

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

(b) the Company has transferred substantially all the risks and rewards of the asset, or

2. Significant Accounting Policies *(Continued)*

j) Financial instruments *(Continued)*

(c) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) 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 Expected Credit Loss at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to loans and borrowings.

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.

2. Significant Accounting Policies *(Continued)*

j) Financial instruments *(Continued)*

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

IV. *Share Capital*

Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

Compound financial instruments

Compound financial instruments issued by the company comprises of convertible debentures denominated in INR that can be converted to equity shares at the option of the holder, wherein the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound Financial instrument is initially recognised at the fair value of a similar liability that does not have equity conversion option. The Equity component is initially recognised as the difference between fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

k) Inventories

Inventories are valued as under:

a) Construction Work-in-Progress - At Lower of Cost and Net realizable value.

Construction Work-in-Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the company .

Net realisable 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. The inventory of construction work-in- progress is not written down below cost if flats /properties are expected to be sold at or above cost

l) Revenue Recognition

Sale of Real Estate Developments

The Company derives revenues primarily from sale of properties comprising of commercial units.

2. Significant Accounting Policies *(Continued)*

l) Revenue Recognition Policies (Continued)

The Company recognises revenue when it determines the satisfaction of performance obligations at a point in time and subsequently over time when the Company has enforceable right for payment for performance completed to date.

In arrangements for sale of units the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative selling price. The price that is regularly charged for an item when sold separately is the best evidence of its selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer

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

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

Interest income

Interest income is accounted on an accrual basis at effective interest rate.

Interest on delayed payment and forfeiture income are accounted based upon underlying agreements with customers.

m) Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the tight to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

2. Significant Accounting Policies *(Continued)*

m) Leases *(Continued)*

As a leasee

Right-of-Use Asset

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the

interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Short-term lease and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of less than 12 months or less and leases of low-value assets, including IT Equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

n) Income tax

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

2. Significant Accounting Policies *(Continued)*

n) Income tax *(Continued)*

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit

will be available against which such deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset only if:

a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternative Tax (MAT)

MAT credit is recognised as a deferred tax asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

o) Borrowing Costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, pertaining to development of long-term projects, are transferred to Construction work-in-progress, as part of the cost of the projects upto the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the year which they are incurred.

2. Significant Accounting Policies *(Continued)*

p) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Earnings per share

This Basic earnings per share is computed by dividing the profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax attributable to the equity shareholders as adjusted interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted

average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. If potential equity shares converted into equity shares increases the earnings per share, then they are treated as anti-dilutive and anti-dilutive earning per share is computed.

r) Provisions and contingent liabilities

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events 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. Provisions (excluding retirement benefits) are discounted to their present value at a pre-tax rate that reflects current market assessments of the time value if money and the risks specific to the liability and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. The unwinding of the discount is recognised as finance cost

Contingent liabilities are disclosed in the notes. Contingent liabilities are disclosed for

(1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or

(2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements. However, the same are disclosed in the financial statements where an inflow of economic benefit is probable.

2. Significant Accounting Policies *(Continued)*

s) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

u) Recent Pronouncements

On March 24, 2021 the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Godrej Realty Private Limited

Notes Forming Part of Financial Statements *(Continued)*

As at March 31, 2022

(Currency in INR Thousands)

3 Property, Plant and Equipment

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at April 1, 2021	**Additions during the year**	**Deductions during the year**	**As at March 31, 2022**	**As at April 1, 2021**	**For the Year**	**Deductions**	**As at March 31, 2022**	**As at March 31, 2022**	**As at March 31, 2021**
Tangible Assets										
Freehold Land (Refer note (a) below)	**222.18**	**-**	**-**	**222.18**	**-**	**-**	**-**	**-**	**222.18**	222.18
Total Property, Plant and Equipment	**222.18**	**-**	**-**	**222.18**	**-**	**-**	**-**	**-**	**222.18**	222.18

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at April 1, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 1, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2021	As At March 31, 2020
Tangible Assets										
Freehold Land (Refer note (a) below)	222.18	-	-	222.18	-	-	-	-	222.18	222.18
Total Property, Plant and Equipment	222.18	-	-	222.18	-	-	-	-	222.18	222.18

(a) 5,860,971, 1% secured compulsory convertible debentures (Previous year 5,860,971, 1% secured optionally convertible debentures) of INR 10/- are secured to the extent of specific immovable asset of the Company disclosed above. (Refer Note 9)

Godrej Realty Private Limited

Notes Forming Part of Financial Statements *(Continued)*
As at March 31, 2022

(Currency in INR Thousands)

4 Income Tax

a) Amounts recognised in the statement of profit and loss

Particulars	**31 March 2022**	March 31, 2021
Current Tax	-	-
Current Tax	-	-
Deferred Tax Charge/ (Credit)	-	-
Tax Expense for the year	-	-

b) Movement in Deferred Tax Balances

Particulars	**Balance as at April 01, 2021**	**Movement during the year** Recognised in Profit or Loss	**Recognised in Other Equity**	**Recognised in OCI**	**Others**	**Balance as at March 31, 2022**
Deferred Tax Assets/ (Liabilities)	-	-	-	-	-	-
Deferred Tax Assets/ (Liabilities)	-	-	-	-	-	-

Particulars	Balance as at April 01, 2020	Movement during the year Recognised in Profit or Loss	Recognised in Other Equity	Recognised in OCI	Others	Balance as at March 31, 2021
Deferred Tax Assets/ (Liabilities)	-	-	-	-	-	-
Deferred Tax Assets/ (Liabilities)	-	-	-	-	-	-

c) Reconciliation of Effective Tax Rate

Particulars	**31 March 2022**	March 31, 2021
Loss Before Tax	**(6,659.94)**	(82,763.13)
Tax using the Company's domestic tax rate 25.17% (Previous Year: 25.17%)	**(1,676.31)**	(20,831.48)
Tax effect of:		
Unrecognised Deferred Tax Asset	**(1,676.31)**	(20,831.48)
Tax expense recognisable(Refer note d below)	-	-

d) Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Particulars	**March 31, 2022**		March 31, 2021	
	Gross Loss	**Unrecognised tax effect**	Gross Loss	Unrecognised tax effect
Business losses	**1,24,545.60**	**31,348.13**	1,17,885.66	29,671.82
Deferred Tax on freehold land	**355.12**	**89.38**	325.99	82.05

e) Tax Losses Carried Forward

Particulars	**March 31, 2022**		March 31, 2021	
	Gross Loss	**Expiry Date**	Gross Loss	Expiry Date
	17.45	**2022-23**	17.45	2022-23
	1,043.06	**2024-25**	1,043.06	2024-25
	19,200.51	**2025-26**	19,200.51	2025-26
	6,222.23	**2026-27**	6,222.23	2026-27
	7,204.52	**2027-28**	7,204.52	2027-28
	1,434.76	**2028-29**	1,434.76	2028-29
	82,763.13	**2029-30**	82,763.13	2029-30
	6,659.94	**2030-31**		

f) On 30 March 2019, MCA has issued amendment regarding the Income Tax Uncertainty over Income Tax Treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments during the current financial year.

Godrej Realty Private Limited

Notes Forming Part of Financial Statements *(Continued)*
As at March 31, 2022

(Currency in INR Thousands)

		March 31, 2022	March 31, 2021
5	**Inventories (Valued at lower of Cost and Net Realisable Value)**		
	Construction Work In Progress (refer Note 12)	**-**	-
		-	-

The write-down of inventories to net realisable value during the year is INR NIL(Previous Year: INR 79,677.67).

6	**Cash and Cash Equivalents**		
	Balances with Banks		
	In Current Accounts	**1.93**	**4.50**
		1.93	4.50
7	**Other Current Non Financial Assets**		
	Unsecured, Considered Good		
	To parties other than related parties		
	Advance to Suppliers and Contractors	**4.83**	1.48
		4.83	1.48

(Currency in INR Thousands)

	March 31, 2022	March 31, 2021
8 Equity Share Capital		
a) Authorised :		
8,000,000 Equity Shares of INR 10/- each (Previous Year: 8,000,000, Equity Share of INR 10/- each)	**80,000.00**	80,000.00
	80,000.00	80,000.00
b) Issued, Subscribed and Paid-Up:		
1,735,000 Equity Shares of INR 10/- each (Previous Year: 1,735,000, Equity Shares of INR 10/- each) fully paid-up	**17,350.00**	17,350.00
	17,350.00	17,350.00

c) Reconciliation of number of shares outstanding at the beginning and end of the year :

	March 31, 2022		March 31, 2021	
Equity Shares :	**No. of Shares**	**INR (In Thousands)**	No. of Shares	INR (In Thousands)
Outstanding at the beginning of the year	**17,35,000**	**17,350.00**	17,35,000	17,350.00
Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**17,35,000**	**17,350.00**	17,35,000	17,350.00

d) Shareholding Information

The Company is a wholly owned subsidiary of Godrej Properties Limited w.e.f. March 31, 2021

Equity Shares are held by :	**March 31, 2022**		March 31, 2021	
	No. of Shares	**%**	No. of Shares	%
Godrej Properties Limited	**17,34,999**	**100.00%**	17,34,999	100.00%
Godrej Skyview LLP	**1**	**0.00%**	1	0.00%

e) Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

f) Shareholders holding more than 5% shares in the Company:

Particulars	**March 31, 2022**		March 31, 2021	
	No. of Shares	**% holding**	No. of Shares	% holding
Equity Shares				
Godrej Properties Limited	**17,34,999**	**100.00%**	17,34,999	100.00%

g) Shares reserved for Compulsorily Convertible Debentures:
For 1% Compulsory Convertible Debentures (CCD):
The Compulsory Convertible Debentures (CCDs) shall be converted into Equity Shares being allotted at par and credited as fully paid up.

9 Borrowings (Current)

Particulars	**March 31, 2022**	March 31, 2021
Secured Loans		
From Related parties		
1% Compulsory Convertible Debentures (CCD) (refer Note (a) below)	**54,305.50**	49,704.84
Unsecured Loans		
Loan from Related Party (Refer note (b) and (c) below)	**11,951.74**	10,471.36
	66,257.24	60,176.20

(a) 5,860,971, 1% Secured Compulsory Convertible Debentures of INR 10/- each (Previous Year: 5,860,971) are convertible on or before 31 March 2024. Debentures secured to the extent of specific immovable asset of the Company disclosed under the head "Property, Plant and Equipment" (Refer Note 3).

(b) Unsecured loan is taken from a Related party bearing interest rate at the rate of 10% p.a. (Previous Year 10% p.a.) and is repayable on demand.
(c) The outstanding interest on borrowings as at every year-end is converted into loan as on first day of the next financial year.

10 Trade Payables

	March 31, 2022	March 31, 2021
total outstanding dues of micro enterprises and small enterprises (Refer Note below)	**-**	-
total outstanding dues of creditors other than micro enterprises and small enterprises	**841.48**	314.43
	841.48	314.43

Particulars	**Outstanding for following periods from due date of payment**					
	Not due	**Less than 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**March 31, 2022**
MSME	-	-	-	-	-	-
Others	159.09	682.39	-	-	-	841.48
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-

Particulars	**Outstanding for following periods from due date of payment**					
	Not due	**Less than 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**March 31, 2021**
MSME	-	-	-	-	-	-
Others	-	314.43	-	-	-	314.43
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-

11 Other Current Non Financial Liabilities

To parties other than related parties

	March 31, 2022	March 31, 2021
Statutory Dues	**134.99**	82.36
	134.99	82.36

(Currency in INR Thousands)

	March 31, 2022	March 31, 2021
12 Change in Inventories of Construction Work-In-Progress		
Inventories at the beginning of the year		
Construction Work-in-Progress	**-**	79,677.67
	-	79,677.67
Inventories at the end of the year		
Construction Work-in-Progress	**-**	-
	-	-
	-	79,677.67

	March 31, 2022	March 31, 2021
13 Finance Costs		
Interest Expense	**5,423.17**	1,484.55
	5,423.17	1,484.55

	March 31, 2022	March 31, 2021
14 Other Expenses		
Consultancy Charges	**104.04**	38.73
Rates and Taxes	**1.20**	596.15
Payment to Auditors (refer Note 20)	**64.90**	62.12
Other Expenses	**1,066.63**	903.91
	1,236.77	1,600.91

(Currency in INR Thousands)

15 Earnings Per Share

a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit/(loss) attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

		March 31, 2022	March 31, 2021
(i)	**Profit attributable to ordinary shareholders (basic)**		
	(Loss) for the Year, attributable to ordinary shareholders of the Company	**(6,659.94)**	(82,763.13)
		(6,659.94)	(82,763.13)
(ii)	**Weighted average number of ordinary shares (basic)**		
	Weighted Average number of equity shares at the beginning of the year	**17,35,000**	17,35,000
	Add: Weighted Average number of equity shares issued during the year	**-**	-
	Weighted Average number of Equity Shares at the end of the year	**17,35,000**	17,35,000
	Basic Earnings Per Share (INR) (Face Value INR 10 each) (Previous year: INR 10 each)	**(3.84)**	(47.70)

b) Diluted Earnings Per Share

		March 31, 2022	March 31, 2021
(i)	**Profit attributable to ordinary shareholders (Diluted)**		
	(Loss) for the Year, attributable to ordinary shareholders of the Company	**(2,586.77)**	(82,763.13)
	Add:		
		(2,586.77)	(82,763.13)
(ii)	**Weighted average number of ordinary shares (Diluted)**		
	Weighted Average number of equity shares at the beginning of the year	**75,95,971**	75,95,971
	Add: Weighted Average number of equity shares issued during the year	**-**	-
	Weighted Average number of Equity Shares Outstanding(Diluted)	**75,95,971**	75,95,971
	Diluted Earnings Per Share (INR) (Face Value INR 10 each)	**(0.34)**	**(10.90)**

The calculation of diluted earning per share is based on the loss attributable to ordinary shareholders and weighted average number of ordinary share outstanding after adjustment for the effect of all dilutive potential ordinary shares. Diluted earning per share is not applicable since effect is Anti Dilutive .

Godrej Realty Private Limited

Notes Forming Part of Financial Statements *(Continued)*

For the Year ended March 31, 2022

(Currency in INR Thousands)

16 Financial Instruments – Fair Values and Risk Management

a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
March 31, 2022	**Fair value through profit**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets							
Current							
Cash and cash equivalents	**-**	**1.93**	**1.93**	-	-	-	-
	-	**1.93**	**1.93**	**-**	**-**	**-**	**-**
Financial Liabilities							
Current							
Borrowings	**54,305.50**	**11,951.74**	**66,257.24**	**-**	**54,305.50**	**-**	**54,305.50**
Trade Payables	**-**	**841.48**	**841.48**	**-**	**-**	**-**	**-**
	54,305.50	**12,793.22**	**67,098.72**	**-**	**54,305.50**	**-**	**54,305.50**

	Carrying amount			Fair value			
March 31, 2021	**Fair value through profit**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets							
Current							
Cash and cash equivalents	-	4.50	4.50	-	-	-	-
	-	4.50	4.50	-	-	-	-
Financial Liabilities							
Current							
Borrowings	49,704.84	10,471.36	60,176.20	-	49,704.84	-	49,704.84
Trade Payables	-	314.43	314.43	-	-	-	-
	49,704.84	10,785.79	60,490.63	-	49,704.84	-	49,704.84

INR 0.00 represents amount less than INR 50,000

16 Financial Instruments – Fair Values and Risk Management *(Continued)*

b) Measurement of Fair Value

(i) The company does not have any financial assets which are measure at fair value .
(ii) The Company uses the Discounted Cash Flow valuation technique (in relation to borrowings measured at amortised cost and fair value through profit or loss) which involves determination of present value of expected receipt/ payment discounted using appropriate discounting rates. The fair value so determined are classified as Level 2.

c) Risk Management Framework

The Company's Board of Directors have overall responsibility for establishment and oversight of the Company's risk management framework. The Company follows the Godrej Properties Limited's (Co-Venturers) risk management policies 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, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The management monitors compliance of risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by Godrej Properties Limited's (Co-Venturers) internal audit team. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the management.

d) Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

(i) Credit Risk
(ii) Liquidity Risk
(iii Market Risk.

(Currency in INR Thousands)

16 Financial Instruments – Fair Values and Risk Management *(Continued)*

d) Financial Risk Management *(Continued)*

(i) Credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Trade Receivables

The Company does not have any credit risk on trade receivables and other receivables as at March 31, 2022 and March 31, 2021. The Company has not launched its projects and hence there are no customers.

Cash and Bank balances

Credit risk from cash and bank balances is managed by the Company's treasury department in accordance with the Company's policy.

(Currency in INR Thousands)

16 Financial Instruments – Fair Values and Risk Management *(Continued)*

d) Financial Risk Management *(Continued)*

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date:

March 31, 2022	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Current						
Borrowings	66,257.24	76,122.42	11,951.74	64,170.68	-	-
Trade Payables	841.48	841.48	841.48	-	-	-

March 31, 2021	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Current						
Borrowings	60,176.20	60,176.20	60,176.20	-	-	-
Trade Payables	314.43	314.43	314.43	-	-	-

(Currency in INR Thousands)

16 Financial Instruments – Fair Values and Risk Management (Continued)

d) Financial Risk Management (Continued)

(iii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency Risk

Currency risk is not material, as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company does not have significant risk as it is having exposure to fixed interest rate debenture only .

17 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. However till revenue recognition starts it may be negative.

The Company monitors capital using a ratio of 'Net Debt to Equity'. For this purpose, net debt is defined as total borrowings (including interest accrued) less cash and bank balances .

The Company's net debt to equity ratio is as follows:

Particulars	**March 31, 2022**	March 31, 2021
Net Debt	66,255.31	60,171.70
Total Equity	(65,998.34)	(59,338.40)
Net debt to Equity ratio	(1.00)	(1.01)

(Currency in INR Thousands)

18 Related Party Disclosure

Related party disclosures as required by AS-18, "Related Party Disclosures", are given below:

1. Relationships:
(i) Co-Venturers
(a) Godrej Properties Limited (GPL) holds 100.00% (Previous Year – 51%) of the share capital in the Company. GPL is the Subsidiary of Godrej Industries Limited (GIL).
(b) HDFC Venture Trustee Company Limited (HVTCL) holds 49% of the share capital in the Company till March 30,2021.
(c) Godrej Skyview LLP w.e.f. March 31, 2021.

(ii) Other related parties in Godrej Group (related parties of co-venturer):
(a) Godrej Consumer Products Limited
(b) Godrej & Boyce Manufacturing Company Limited
(c) Nature's Basket Limited (upto July 04, 2019)

(iii) Key Management Personnel :
(a) Amandeep Singh, Director
(b) Rabi Kant Sharma, Director

II. The following transactions were carried out with the related parties in the ordinary course of the business :

Particulars	**GPL**	**HVTCL**	**Total**
Transactions during the Year			
Interest on Debenture			
Current Year	**586.10**	**-**	**586.10**
Previous Year	*298.91*	*287.20*	*586.11*
Interest Expense			
Current Year	**4,837.07**	**-**	**4,837.07**
Previous Year	*898.44*	-	*898.44*
Borrowings Taken			
Current Year	**792.87**	**-**	**792.87**
Previous Year	*1,459.17*	-	*1,459.17*
Balance Outstanding as on March 31, 2022			
Unsecured Loan			
As at March 31, 2022	**11,122.39**	**-**	**11,122.39**
As at March 31, 2021	*9,642.01*	-	*9,642.01*
Interest Accrued			
As at March 31, 2022	**829.35**	**-**	**829.35**
As at March 31, 2021	*829.35*	-	*829.35*
Debenture Outstanding			
As at March 31, 2022	**58,609.71**	**-**	**58,609.71**
As at March 31, 2021	*58,609.71*	-	*58,609.71*
Debenture Interest Outstanding			
As at March 31, 2022	**4,974.88**	**-**	**4,974.88**
As at March 31, 2021	*4,447.39*	**-**	*4,447.39*

Godrej Realty Private Limited

Notes Forming Part of Financial Statements (*Continued*)

For the Year ended March 31, 2022

18 Ratio Analysis

Sr. No.	Ratio	March 31, 2022	March 31, 2021	Change %	Reason for more than 25% change
1	Current Ratio	0.00	0.00	1.84%	No such change
2	Debt-Equity Ratio (Gross)	(1.00)	(1.01)	-1.01%	No such change
3	Debt-Equity Ratio (Net)	(1.00)	(1.01)	-1.00%	No such change
4	Debt Service Coverage Ratio	(0.00)	(0.00)	-87.28%	Change is due to fair value interest recognised of Debenture in the current year.
5	Return on Equity Ratio	0.11	3.36	-96.84%	Change is due to the losses booked in the current year
6	Inventory Turnover Ratio	NA	NA		
7	Trade Receivables Turnover Ratio	NA	NA		
8	Trade Payables Turnover Ratio	NA	NA		
9	Net Capital Turnover Ratio	NA	NA		
10	Net Profit Ratio	NA	NA		
11	Return on Capital Employed	(4.78)	(97.01)	-95.08%	Change is due to the losses booked in the current year
12	Return on Investment	NA	NA		

(a) Formulae for computation of ratios are as follows:

Sr. No.	Particulars	Formula
1	Current Ratio	Current Assets / Current Liabilities
2	Debt-Equity Ratio (Gross)	Current Borrowings + Non-Current Borrowings / Total Equity
3	Debt-Equity Ratio (Net)	Current Borrowings + Non-Current Borrowings - Cash and Bank Balances - Fixed Deposits - Liquid Investments / Total Equity
4	Debt Service Coverage Ratio	Earnings before Interest and Tax (Profit/(Loss) Before Tax + Finance Cost + Finance Cost included in Cost of Sales + Depreciation and Amortisation expense) / (Finance Cost (exdudes interest accounted on Customer Advance as per EIR Principal) + Principal Payment due to Non-Current Borrowing
5	Return on Equity Ratio	Profit/(Loss) for the Year/Period / Average Equity
6	Inventory Turnover Ratio	Cost of Material Consumed + Changes in Inventories of Finished Goods and Construction Work-In-Progress / Average Inventory
7	Trade Receivables Turnover Ratio	Revenue from Operations / Average Trade Receivables
8	Trade Payables Turnover Ratio	Cost of Materials Consumed / Average Trade Payables
9	Net Capital Turnover Ratio	Revenue from Operations / Average Working Capital (Current Assets - Current Liabilities)
10	Net profit ratio	Profit/(Loss) for the Year / Total Income
11	Return on Capital Employed	Earnings before Interest and Tax (Profit/(Loss) Before Tax + Finance Cost + Finance Cost included in Cost of Sales + Depreciation and Amortisation expense) / Average Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability (net of Deferred Tax Assets))
12	Return on Investment	Other Income / Average of Cash and Bank Balances + Fixed Deposits + Liquid Investments + Investment in Fully paid-up Equity Instruments

19 Contingent Liabilities and Commitments

a) Contingent Liabilities

Matters	March 31, 2022	March 31, 2021
I) Claims against Company not acknowledged as Debts	**Nil**	Nil
II) Guarantees	**Nil**	Nil

b) Commitments

(i)

Particulars	March 31, 2022	March 31, 2021
Capital Commitment (includes for CWIP under Construction)	**Nil**	Nil

(ii) The Company has entered into development agreements with owners of land for development of projects. Under the agreements the Company is required to pay certain payments/ deposits to the owners of the land and share in built up area/ revenue from such developments in exchange of undivided share in land as stipulated under the agreements.

20 Payment to Auditors (net of taxes)

Particulars	March 31, 2022	March 31, 2021
Statutory Audit Fees	**55.00**	50.00
Reimbursement of Expenses	**-**	2.65
Total	**55.00**	52.65

21 Micro, Small and Medium enterprises

Particulars	**March 31, 2022**	March 31, 2021
(a) The principal amount remaining unpaid to any supplier as at the end of the accounting year;	**Nil**	Nil
(b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	**Nil**	Nil
(c) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**Nil**	Nil
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	**Nil**	Nil
(e) The amount of interest accrued and remaining unpaid at the end of accounting year	**Nil**	Nil
(f) The amount of further interest due and payable even in the succeeding year, 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.	**Nil**	Nil

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.

22 Segment Reporting

A. Basis of Segmentation

Factors used to identify the entity’s reportable segments, including the basis of organisation

For management purposes, the Company has only one reportable segment namely, Development of Real Estate Property. The Board of Directors of the Company acts as the Chief Operating Decision Making ("CODM"). The CODM evaluates the Companys performance and allocates resources based on an analysis of various performance indicators.

B. Geographical Information

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Development of Real Estate Property in India, it has only one reportable geographical segment.

C. Information about major customers

The Company has not launched its project and hence there are no customers .

23 The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Inventories and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information. As on current date, the Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Godrej Realty Private Limited
CIN: U70100MH2005PTC154268

Jaymin Seth
Partner
Membership No: 114583

Mumbai

AMANDEEP SINGH
Director
DIN: 07144214

Mumbai

RABI KANT SHARMA
Director
DIN: 06942339

Mumbai