

# B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai – 400063, India  
Telephone: +91 (22) 6257 1000  
Fax: +91 (22) 6257 1010

## Independent Auditor's Report

### To the Members of Godrej Realty Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Godrej Realty Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows 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, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related

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## Independent Auditor's Report (Continued)

### Godrej Realty Private Limited

to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**Independent Auditor's Report (Continued)**

**Godrej Realty Private Limited**

2 A. 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.
- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 23 to the financial statements, 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.
- (ii) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 23 to the financial statements, 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

**Independent Auditor's Report (Continued)**

**Godrej Realty Private Limited**

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Jaymin Sheth**

*Partner*

Place: Mumbai

Membership No.: 114583

Date: 02 May 2023

ICAI UDIN:23114583BGZCXF5565

**Annexure A to the Independent Auditor's Report on the Financial Statements of Godrej Realty Private Limited for the year ended 31 March 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (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 does not have any intangible assets. Accordingly, paragraph 3 (i) (a) (B) of the order is not applicable to the Company.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company does not have any inventory. Accordingly, paragraph 3 (ii) (a) is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the activities carried out by the Company.. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been

**Annexure A to the Independent Auditor's Report on the Financial Statements of Godrej Realty Private Limited for the year ended 31 March 2023 (Continued)**

subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Income-Tax Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Income-Tax, or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Services Tax, Income-Tax, Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.



**Annexure A to the Independent Auditor's Report on the Financial Statements of Godrej Realty Private Limited for the year ended 31 March 2023 (Continued)**

- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.  
  
(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.  
  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.  
  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
  
(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has incurred cash losses of Rs.7,092.68 thousands in the current financial year and Rs.6,659.94 thousands in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 the 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) The requirements as stipulated by the provisions of Section 135 are not applicable to the

B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements  
of Godrej Realty Private Limited for the year ended 31 March 2023 (Continued)**

Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Jaymin Sheth**

*Partner*

Place: Mumbai

Date: 02 May 2023

Membership No.: 114583

ICAI UDIN:23114583BGZCXF5565



## **Annexure B to the Independent Auditor's Report on the financial statements of Godrej Realty Private Limited for the year ended 31 March 2023**

### **Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We have audited the internal financial controls with reference to financial statements of Godrej Realty Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 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 audit opinion on the Company's internal financial controls with reference to financial statements.

#### **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 controls with reference to financial statements include 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)

**Annexure B to the Independent Auditor's Report on the financial statements of Godrej Realty Private Limited for the year ended 31 March 2023 (Continued)**

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 controls 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.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Jaymin Sheth**

*Partner*

Place: Mumbai

Date: 02 May 2023

Membership No.: 114583

ICAI UDIN:23114583BGZCXF5565

## Godrej Realty Private Limited

### Balance Sheet

As at March 31, 2023

(Currency in INR Thousands)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	222.18	222.18
Deferred Tax Assets (Net)	4	-	-
Income Tax Assets (Net)		1,006.43	1,006.43
<b>Total Non-Current Assets</b>		<b>1,228.61</b>	<b>1,228.61</b>
<b>Current Assets</b>			
Financial Assets			
Cash and Cash Equivalents	5	8.42	1.93
Other Current Non Financial Assets	6	23.30	4.83
<b>Total Current Assets</b>		<b>31.72</b>	<b>6.76</b>
<b>TOTAL ASSETS</b>		<b>1,260.33</b>	<b>1,235.37</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	7	17,350.00	17,350.00
Other Equity		(90,441.02)	(83,348.34)
<b>Total Equity</b>		<b>(73,091.02)</b>	<b>(65,998.34)</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	8	73,867.10	66,257.24
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	9	422.28	841.48
Other Current Non Financial Liabilities	10	61.97	134.99
<b>Total Current Liabilities</b>		<b>74,351.35</b>	<b>67,233.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,260.33</b>	<b>1,235.37</b>
<b>Significant Accounting Policies</b>	2		

The accompanying notes 1 to 23 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 SHETH**  
Partner  
Membership No: 114583

Mumbai  
May 2, 2023

**AMANDEEP SINGH**  
Director  
DIN: 07144214

Mumbai  
May 2, 2023

**KRISHNA BAGARIA**  
Director  
DIN: 09831464

Pune  
May 2, 2023

## Godrej Realty Private Limited

### Statement of Profit and Loss

For the Year ended March 31, 2023

(Currency in INR Thousands)

Particulars	Note	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>EXPENSES</b>			
Finance Costs	11	5,985.80	5,423.17
Other Expenses	12	1,106.88	1,236.77
<b>Total Expenses</b>		<b>7,092.68</b>	<b>6,659.94</b>
<b>Loss Before Tax</b>		<b>(7,092.68)</b>	<b>(6,659.94)</b>
<b>Tax Expense</b>			
Current Tax	4(a)	-	-
Deferred Tax	4(b)	-	-
<b>Total Tax Expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the Year</b>		<b>(7,092.68)</b>	<b>(6,659.94)</b>
<b>Other Comprehensive Income</b>			
Items that will not be subsequently reclassified to profit or loss		-	-
Remeasurements of the defined benefit plan			
Tax on above	4(b)		
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b>(7,092.68)</b>	<b>(6,659.94)</b>
<b>Earnings Per Share (Amount in INR)</b>			
Basic	13	(4.09)	(3.84)
Diluted	13	(4.09)	(3.84)

### Significant Accounting Policies

2

The accompanying notes 1 to 23 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 SHETH**

Partner

Membership No: 114583

Mumbai

May 2, 2023

**AMANDEEP SINGH**

Director

DIN: 07144214

Mumbai

May 2, 2023

**KRISHNA BAGARIA**

Director

DIN: 09831464

Pune

May 2, 2023

## Godrej Realty Private Limited

### Statement of Changes in Equity

For the Year ended March 31, 2023

(Currency in INR Thousands)

#### a) Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
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	<u>17,350.00</u>	<u>17,350.00</u>

#### 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 01, 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	<u>87,934.32</u>	<u>20,611.16</u>	<u>(1,91,893.82)</u>	<u>(83,348.34)</u>

## Godrej Realty Private Limited

### Statement of Changes in Equity

For the Year ended March 31, 2023

(Currency in INR Thousands)

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 01, 2022	87,934.32	20,611.16	(1,91,893.82)	(83,348.34)
Total Comprehensive Income:				
i) Loss for the year	-	-	(7,092.68)	(7,092.68)
Balance as at March 31, 2023	87,934.32	20,611.16	(1,98,986.50)	(90,441.02)

**(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 thereby 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 23 form an integral part of these Financial Statements.

As per our report of even date.

For **BSR & 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 SHETH**

Partner

Membership No: 114583

Mumbai

May 2, 2023

**AMANDEEP SINGH**

Director

DIN: 07144214

Mumbai

May 2, 2023

**KRISHNA BAGARIA**

Director

DIN: 09831464

Mumbai

May 2, 2023

## Godrej Realty Private Limited

### Statement of Cash Flows

For the Year ended March 31, 2023

(Currency in INR Thousands)

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash Flow from Operating Activities</b>		
Loss Before Tax	(7,092.68)	(6,659.94)
Adjustments for:		
Finance costs	5,985.80	5,423.17
<b>Operating loss before Working Capital Changes</b>	<b>(1,106.88)</b>	<b>(1,236.77)</b>
<b>Changes in Working Capital:</b>		
(Decrease) / Increase in Non Financial Liabilities	(73.02)	52.63
(Decrease) / Increase in Financial Liabilities	(419.20)	527.05
(Increase) / Decrease in Inventories	(0.97)	-
(Increase) in Non Financial Assets	(18.47)	(3.35)
	<b>(511.66)</b>	<b>576.33</b>
<b>Net cash flows (used in) Operating Activities</b>	<b>(1,618.54)</b>	<b>(660.44)</b>
<b>Cash Flow from Investing Activities</b>		
<b>Net cash flows generated from Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Short-term Borrowings (net)	1,779.55	792.87
Interest paid	(154.52)	(135.00)
<b>Net cash flows generated from Financing Activities</b>	<b>1,625.03</b>	<b>657.87</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>6.49</b>	<b>(2.57)</b>
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>1.93</b>	<b>4.50</b>
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>8.42</b>	<b>1.93</b>

#### 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".



**Godrej Realty Private Limited****Statement of Cash Flows***For the Year ended March 31, 2023*

(Currency in INR Thousands)

(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, 2023	For the year ended March 31, 2022
Cash and Cash Equivalents (refer Note 5)	8.42	1.93
<b>Cash and Cash Equivalents as per Statement of Cash Flows</b>	<b>8.42</b>	<b>1.93</b>

(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 01, 2022	Changes in Statement of Cash Flows	Non Cash Changes		As at March 31, 2023
			Interest Converted into Loan	Fair Value Changes	
Short-term borrowings	66,257.24	1,779.55	-	1,390.55	4,439.76
					73,867.10

Reconciliation of liabilities arising from financing activities					
Particular	As at April 01, 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

The accompanying notes 1 to 23 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 SHETH***Partner*

Membership No: 114583

Mumbai

May 2, 2023

**AMANDEEP SINGH***Director*

DIN: 07144214

Mumbai

May 2, 2023

**KRISHNA BAGARIA***Director*

DIN: 09831464

Pune

May 2, 2023

# Godrej Realty Private Limited

## Notes forming part of Financial Statements

*for the year ended March 31, 2023*

(Currency in INR Thousands)

### 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, 2023 were authorised for issue by the company’s Board of Directors on May 02, 2023.

##### 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. The LLP has incurred a loss after tax of INR 7,092.68 thousand during the current year, incurred losses during the previous years and has resultant accumulated losses of INR 90,441.02 thousand at 31 March 2023. Also, the LLP’s current Liabilities have exceeded its current assets by INR 74,319.63 thousand as at 31 March 2023. 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.

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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.

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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.

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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



# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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.

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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.

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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.

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 2. Significant Accounting Policies (*Continued*)

#### m) Leases (*Continued*)

##### As a lessee

##### 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.

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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.

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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 of 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.

# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 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.



# Godrej Realty Private Limited

## Notes forming part of Financial Statements (*Continued*)

for the year ended March 31, 2023

(Currency in INR Thousands)

### 2. Significant Accounting Policies (*Continued*)

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### *Ind AS 1 – Presentation of Financial Statements*

- The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

#### *Ind AS 12 – Income Taxes*

- The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

#### *Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors*

- The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its 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, 2023

(Currency in INR Thousands)

### 3 Property, Plant and Equipment

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at April 01, 2022	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 01, 2022	For the Year	Deductions	As at March 31, 2023	As at March 31, 2022
<b>Tangible Assets</b>									
Freehold Land (Refer note (a) below)	222.18	-	-	222.18	-	-	-	-	222.18
<b>Total Property, Plant and Equipment</b>	<b>222.18</b>	<b>-</b>	<b>-</b>	<b>222.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222.18</b>

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at April 01, 2021	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 01, 2021	For the Year	Deductions	As at March 31, 2022	As at March 31, 2021
<b>Tangible Assets</b>									
Freehold Land (Refer note (a) below)	222.18	-	-	222.18	-	-	-	-	222.18
<b>Total Property, Plant and Equipment</b>	<b>222.18</b>	<b>-</b>	<b>-</b>	<b>222.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222.18</b>

(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, 2023

(Currency in INR Thousands)

#### 4 Income Tax

##### a) Amounts recognised in the statement of profit and loss

Particulars	31 March 2023	March 31, 2022
<b>Current Tax</b>	-	-
Current Tax	-	-
<b>Deferred Tax Charge/ (Credit)</b>	-	-
<b>Tax Expense for the year</b>	-	-

##### b) Movement in Deferred Tax Balances

Particulars	Balance as at April 01, 2022	Recognised in Profit or Loss	Movement during the year Recognised in Other Equity	Recognised in OCI	Others	Balance as at March 31, 2023
<b>Deferred Tax Assets/ (Liabilities)</b>	-	-	-	-	-	-
<b>Deferred Tax Assets/ (Liabilities)</b>	-	-	-	-	-	-

  

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

##### c) Reconciliation of Effective Tax Rate

Particulars	31 March 2023	March 31, 2022
<b>Loss Before Tax</b>	<b>(7,092.68)</b>	(6,659.94)
Tax using the Company's domestic tax rate 25.17% (Previous Year: 25.17%)	<b>(1,785.23)</b>	(1,676.31)
<b>Tax effect of:</b>		
Unrecognised Deferred Tax Asset	<b>(1,785.23)</b>	(1,676.31)
<b>Tax expense recognisable(Refer note d below)</b>	-	-

##### 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, 2023		March 31, 2022	
	Gross Loss	Unrecognised tax effect	Gross Loss	Unrecognised tax effect
Business losses	1,31,620.83	33,128.96	1,24,545.60	31,348.13
Deferred Tax on freehold land	375.72	94.57	355.12	89.38

##### e) Tax Losses Carried Forward

Particulars	March 31, 2023		March 31, 2022	
	Gross Loss	Expiry Date	Gross Loss	Expiry Date
	1,043.06	2024-25	17.45	2022-23
	19,200.51	2025-26	1,043.06	2024-25
	6,222.23	2026-27	19,200.51	2025-26
	7,204.52	2027-28	6,222.23	2026-27
	1,434.76	2028-29	7,204.52	2027-28
	82,763.13	2029-30	1,434.76	2028-29
	6,659.94	2030-31	82,763.13	2029-30
	7,092.68	2031-32	6,659.94	2030-31

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

As at March 31, 2023

(Currency in INR Thousands)

	March 31, 2023	March 31, 2022
<b>5 Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
In Current Accounts	8.42	1.93
	<u>8.42</u>	<u>1.93</u>
<b>6 Other Current Non Financial Assets</b>		
<b>Unsecured, Considered Good</b>		
<i>To parties other than related parties</i>		
Balances with Government Authorities	17.87	-
Advance to Suppliers and Contractors	5.43	4.83
	<u>23.30</u>	<u>4.83</u>

**Godrej Realty Private Limited****Notes Forming Part of Financial Statements (Continued)***As at March 31, 2023*

(Currency in INR Thousands)

	March 31, 2023	March 31, 2022
<b>7 Equity Share Capital</b>		

**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

<b>80,000.00</b>	<b>80,000.00</b>
------------------	------------------

**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

<b>17,350.00</b>	<b>17,350.00</b>
------------------	------------------

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

Equity Shares :	March 31, 2023		March 31, 2022	
	No. of Shares	INR (In Thousands)	No. of Shares	INR (In Thousands)
Outstanding at the beginning of the year	<b>17,35,000</b>	<b>17,350.00</b>	17,35,000	17,350.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>17,35,000</b>	<b>17,350.00</b>	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, 2023		March 31, 2022	
	No. of Shares	%	No. of Shares	%
Godrej Properties Limited	<b>17,34,999</b>	<b>100.00%</b>	17,34,999	100.00%
Godrej Skyview LLP	<b>1</b>	<b>0.00%</b>	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, 2023		March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares</b>				
Godrej Properties Limited	<b>17,34,999</b>	<b>100.00%</b>	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.

## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements (Continued)

As at March 31, 2023

(Currency in INR Thousands)

March 31, 2023

March 31, 2022

#### 8 Borrowings (Current)

Particulars	March 31, 2023	March 31, 2022
<b>Secured Loans</b>		
<b>From Related parties</b>		
1% Compulsory Convertible Debentures (CCD) (refer Note (a) below)	59,272.73	54,305.50
<b>Unsecured Loans</b>		
Loan from Related Party (Refer note (b) and (c) below)	14,594.37	11,951.74
	<b>73,867.10</b>	<b>66,257.24</b>

(a) 5,860,971, 1% Secured Compulsory Convertible Debentures of INR 10/- each (Previous Year: 5,860,971) are convertible on or before 31st 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 7.5% 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.

#### 9 Trade Payables

total outstanding dues of micro enterprises and small enterprises (Refer Note below)

-

total outstanding dues of creditors other than micro enterprises and small enterprises

422.28

422.28

841.48

841.48

Particulars	Outstanding for following periods from due date of payment					March 31, 2022
	Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	-	-	-	-	-
Others	107.40	314.88	-	-	-	422.28
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment					March 31, 2021
	Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	-	-	-	-	-
Others	159.09	682.39	-	-	-	841.48
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-

#### 10 Other Current Non Financial Liabilities

To parties other than related parties

Statutory Dues

61.97

134.99

61.97

134.99

## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements (*Continued*)

For the Year ended March 31, 2023

(Currency in INR Thousands)

	March 31, 2023	March 31, 2022
<b>11 Finance Costs</b>		
Interest Expense	5,984.83	5,423.17
Interest on Income Tax	0.97	-
	<u>5,985.80</u>	<u>5,423.17</u>
<b>12 Other Expenses</b>		
Consultancy Charges	65.87	104.04
Rates and Taxes	-	1.20
Payment to Auditors (refer Note 20)	67.45	64.90
Other Expenses	973.56	1,066.63
	<u>1,106.88</u>	<u>1,236.77</u>



## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements *(Continued)*

For the Year ended March 31, 2023

(Currency in INR Thousands)

#### 13 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, 2023	March 31, 2022
(i) Profit attributable to ordinary shareholders (basic)		
(Loss) for the Year, attributable to ordinary shareholders of the Company	(7,092.68)	(6,659.94)
	<u>(7,092.68)</u>	<u>(6,659.94)</u>
(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	<u>17,35,000</u>	<u>17,35,000</u>
Basic Earnings Per Share (INR) (Face Value INR 10 each) (Previous year: INR 10 each)	(4.09)	(3.84)

##### b) Diluted Earnings Per Share

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, 2023

(Currency in INR Thousands)

#### 14 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.

March 31, 2023	Carrying amount		Total	Level 1	Fair value		Total
	Fair value through profit	Amortised Cost			Level 2	Level 3	
Financial Assets							
Current							
Cash and cash equivalents	-	8.42	8.42	-	-	-	-
	-	8.42	8.42	-	-	-	-
Financial Liabilities							
Current							
Borrowings	59,272.73	14,594.37	73,867.10	-	59,272.73	-	59,272.73
Trade Payables	-	422.28	422.28	-	-	-	-
	59,272.73	15,016.65	74,289.38	-	59,272.73	-	59,272.73

March 31, 2022	Carrying amount		Total	Level 1	Fair value		Total
	Fair value through profit	Amortised Cost			Level 2	Level 3	
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

INR 0.00 represents amount less than INR 50,000

## **Godrej Realty Private Limited**

### **Notes Forming Part of Financial Statements (Continued)**

*For the Year ended March 31, 2023*

#### **14 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.

## **Godrej Realty Private Limited**

### **Notes Forming Part of Financial Statements (*Continued*)**

*For the Year ended March 31, 2023*

(Currency in INR Thousands)

#### **14 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, 2023 and March 31, 2022.  
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.

## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements *(Continued)*

For the Year ended March 31, 2023

(Currency in INR Thousands)

#### 14 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, 2023	Carrying Amount	Total	Contractual cash flows Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Current</b>						
Borrowings	73,867.10	79,292.53	79,292.53	-	-	-
Trade Payables	422.28	422.28	422.28	-	-	-

  

March 31, 2022	Carrying Amount	Total	Contractual cash flows Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Current</b>						
Borrowings	66,257.24	66,257.24	66,257.24	-	-	-
Trade Payables	841.48	841.48	841.48	-	-	-

## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements (Continued)

For the Year ended March 31, 2023

(Currency in INR Thousands)

#### 14 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 .

#### 15 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, 2023	March 31, 2022
Net Debt	73,858.68	66,255.31
Total Equity	(73,091.02)	(65,998.34)
<b>Net debt to Equity ratio</b>	<b>(1.01)</b>	<b>(1.00)</b>

## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements (*Continued*)

For the Year ended March 31, 2023

(Currency in INR Thousands)

#### 16 Related Party Disclosure

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

##### I. 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) 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

###### (iii) Key Management Personnel :

(a) Amandeep Singh, Director

(b) Rabi Kant Sharma, Director(Upto December 31st, 2022)

(c) Krishna Bagaria, Director(W.e.f. January 1st, 2023)

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

Particulars	GPL	Total
<b>Transactions during the Year</b>		
Interest on Debenture		
Current Year	<b>586.10</b>	<b>586.10</b>
Previous Year	586.10	586.10
Interest Expense		
Current Year	<b>5,398.73</b>	<b>5,398.73</b>
Previous Year	898.44	898.44
Borrowings Taken		
Current Year	<b>792.87</b>	<b>792.87</b>
Previous Year	792.87	792.87
<b><u>Balance Outstanding as on March 31, 2023</u></b>		
Unsecured Loan		
As at March 31, 2023	<b>13,731.29</b>	<b>13,731.29</b>
As at March 31, 2022	11,122.39	11,122.39
Interest Accrued		
As at March 31, 2023	<b>863.08</b>	<b>863.08</b>
As at March 31, 2022	829.35	829.35
Debenture Outstanding		
As at March 31, 2023	<b>58,609.71</b>	<b>58,609.71</b>
As at March 31, 2022	58,609.71	58,609.71
Debenture Interest Outstanding		
As at March 31, 2023	<b>5,502.36</b>	<b>5,502.36</b>
As at March 31, 2022	4,974.88	4,974.88

## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements (Continued)

For the Year ended March 31, 2023

#### 18 Ratio Analysis

Sr. No.	Ratio	March 31, 2023	March 31, 2022	Change %	Reason for more than 25% change
1	Current Ratio	0.00	0.00	324.31%	Change is due to cash and bank balance increased for the period
2	Debt-Equity Ratio (Gross)	(1.01)	(1.00)	0.67%	No such change
3	Debt-Equity Ratio (Net)	(1.01)	(1.00)	0.66%	No such change
4	Debt Service Coverage Ratio	(0.00)	(0.00)	-5.43%	No such change
5	Return on Equity Ratio	0.10	0.11	-4.03%	No such change
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	(1.43)	(2.26)	-36.89%	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	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt-Equity Ratio (Gross)	$\frac{\text{Current Borrowings} + \text{Non-Current Borrowings}}{\text{Total Equity}}$
3	Debt-Equity Ratio (Net)	$\frac{\text{Current Borrowings} + \text{Non-Current Borrowings} - \text{Cash and Bank Balances} - \text{Fixed Deposits} - \text{Liquid Investments}}{\text{Total Equity}}$
4	Debt Service Coverage Ratio	$\frac{\text{Earnings before Interest and Tax (Profit/(loss) Before Tax} + \text{Finance Cost} + \text{Finance Cost included in Cost of Sales} + \text{Depreciation and Amortisation expense})}{(\text{Finance Cost (excludes interest accounted on customer advance as per EIR Principal)}) + \text{Principal Payment due to Non-Current Borrowing}}$
5	Return on Equity Ratio	$\frac{\text{Profit/(loss) for the Year/Period}}{\text{Average Equity}}$
6	Inventory Turnover Ratio	$\frac{\text{Cost of Material Consumed} + \text{Changes in Inventories of Finished Goods and Construction Work-In-Progress}}{\text{Average Inventory}}$
7	Trade Receivables Turnover Ratio	$\frac{\text{Revenue from Operations}}{\text{Average Trade Receivables}}$
8	Trade Payables Turnover Ratio	$\frac{\text{Cost of Materials Consumed}}{\text{Average Trade Payables}}$
9	Net Capital Turnover Ratio	$\frac{\text{Revenue from Operations}}{\text{Average Working Capital (Current Assets - Current Liabilities)}}$
10	Net profit ratio	$\frac{\text{Profit/(loss) for the Year}}{\text{Total Income}}$
11	Return on Capital Employed	$\frac{\text{Earnings before Interest and Tax (Profit/(loss) Before Tax} + \text{Finance Cost} + \text{Finance Cost included in Cost of Sales} + \text{Depreciation and Amortisation expense})}{\text{Average Capital Employed (Tangible Net Worth} + \text{Total Debt} + \text{Deferred Tax Liability (net of Deferred Tax Assets)}}$
12	Return on Investment	$\frac{\text{Other Income}}{\text{Average of Cash and Bank Balances} + \text{Fixed Deposits} + \text{Liquid Investments} + \text{Investment in Fully paid-up Equity Instruments}}$



## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements (*Continued*)

For the Year ended March 31, 2023

#### 19 Contingent Liabilities and Commitments

##### a) Contingent Liabilities

<b>Matters</b>	<b>March 31, 2023</b>	March 31, 2022
I) Claims against Company not acknowledged as Debts	<b>Nil</b>	Nil
II) Guarantees	<b>Nil</b>	Nil

##### b) Commitments

(i) <b>Particulars</b>	<b>March 31, 2023</b>	March 31, 2022
Capital Commitment (includes for CWIP under Construction)	<b>Nil</b>	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)

<b>Particulars</b>	<b>March 31, 2023</b>	March 31, 2022
Statutory Audit Fees	<b>55.00</b>	50.00
Reimbursement of Expenses	<b>2.16</b>	2.65
<b>Total</b>	<b>57.16</b>	52.65

## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements (Continued)

For the Year ended March 31, 2023

#### 21 Micro, Small and Medium enterprises

Particulars	March 31, 2023	March 31, 2022
(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.

## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements (*Continued*)

For the Year ended March 31, 2023

#### 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 Company's 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 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any funds 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.

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 SHETH

*Partner*

Membership No: 114583

Mumbai

May 2, 2023

#### AMANDEEP SINGH

*Director*

DIN: 07144214

Mumbai

May 2, 2023

#### KRISHNA BAGARIA

*Director*

DIN: 09831464

Mumbai

May 2, 2023