

# **Financial Statements and Independent Auditor's Report**

**NEPTUNE REAL ESTATE PRIVATE LIMITED**

**31 March 2021**

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## **Independent Auditor's Report**

**To the Members of Neptune Real Estate Private Limited.**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

1. We have audited the accompanying financial statements of Neptune Real Estate Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') 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.

#### **Information other than the Financial Statements and Auditor's Report thereon**

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management for the Financial Statements**

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. 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.

## **Other Matter**

11. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, Tarak Madhani Associates, who have expressed an unmodified opinion on those financial statements vide their audit report dated 01 June 2020.

## **Report on Other Legal and Regulatory Requirements**

12. Based on our audit we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 May 2021 as per Annexure II expressed unmodified opinion; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

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- i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ashish  
Kedia**

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**Ashish Kedia**

Partner

Membership No.: 215834

UDIN: 21215834AAAABJ2699

Place: Bengaluru

Date: 03 June 2021

# Walker Chandniok & Co LLP

## **Annexure I to the Independent Auditor's Report of even date to the members of Neptune Real Estate Private Limited, on the financial statements for the year ended 31 March 2021**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company does not have any fixed assets (other than a parcel of land disclosed under 'Investment Property'). Accordingly, the provisions of clause 3(i)(a) and (b) of the Order are not applicable.
  - (b) The title deeds of all the immovable properties (which are included under the head 'Investment Property') are held in the name of the Company
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
  - (b) There are no dues in respect of income-tax, goods and services tax, duty of customs and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

# Walker Chandiook & Co LLP

## **Annexure I to the Independent Auditor's Report of even date to the members of Neptune Real Estate Private Limited, on the financial statements for the year ended 31 March 2021**

- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Ashish Kedia**

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**Ashish Kedia**  
Partner  
Membership No.: 215834  
UDIN: 21215834AAAABJ2699

Place: Bengaluru  
Date: 03 June 2021



# Walker Chandniok & Co LLP

## **Annexure II to the Independent Auditor's Report of even date to the members of Neptune Real Estate Private Limited on the financial statements for the year ended 31 March 2021**

1. In conjunction with our audit of the financial statements of Neptune Real Estate Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management for Internal Financial Controls**

2. The Company's Board of Directors is 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. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. 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 includes obtaining an understanding of such internal financial controls, 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.
5. 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**

6. 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

# Walker Chandiook & Co LLP

## **Annexure II to the Independent Auditor's Report of even date to the members of Neptune Real Estate Private Limited on the financial statements for the year ended 31 March 2021**

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. 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**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, 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 .

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ashish Kedia**

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**Ashish Kedia**

Partner

Membership No.: 215834

UDIN: 21215834AAAABJ2699

Place: Bengaluru

Date: 03 June 2021

**Neptune Real Estate Private Limited**  
**Balance Sheet as at 31 March 2021**  
(All amounts in ₹ thousands except otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	3	116,798	116,798
Other non current assets	4	-	-
<b>Total non-current assets</b>		<b>116,798</b>	<b>116,798</b>
<b>Current assets</b>			
Financial assets			
- Cash and cash equivalents	5	340	820
- Other financial assets	6	15	15
Other current assets	7	3,005	2,817
<b>Total current assets</b>		<b>3,360</b>	<b>3,652</b>
<b>Total assets</b>		<b>120,158</b>	<b>120,450</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	8	500	500
Other equity	9	(122,383)	(121,702)
<b>Total equity</b>		<b>(121,883)</b>	<b>(121,202)</b>
<b>Non current liabilities</b>			
Deferred tax liabilities	17	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	10	241,165	241,165
- Trade payables	11		
(a) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		287	287
- Other financial liabilities	12	558	195
Other current liabilities	13	30	5
<b>Total current liabilities</b>		<b>242,040</b>	<b>241,652</b>
<b>Total equity and liabilities</b>		<b>120,158</b>	<b>120,450</b>
<b>Summary of significant accounting policies</b>	1 to 2		

The accompanying notes are an integral part of the financial statements

As per our Report of even date  
For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

**Ashish Kedia**  
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**Ashish Kedia**  
Partner  
Membership Number: 215834

Bengaluru  
03 June 2021

**For and on Behalf of the Board of Directors of Neptune Real Estate Private Limited**

**VIJAYAKUMAR AR**  
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**Vijaya Kumar D**  
Director  
DIN: 00036772

Bengaluru  
03 June 2021

**VASUNDHARA HARSHAVAR DHAN**  
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**Vasundhara H**  
Director  
DIN: 05151884

Bengaluru  
03 June 2021

**Neptune Real Estate Private Limited**  
**Statement of Profit & Loss for the Period Ended 31 March 2021**  
(All amounts in ₹ thousands except otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Income</b>			
Revenue from operations (net)		-	-
<b>Total income</b>		-	-
<b>Expenses</b>			
Finance costs	14	-	29,181
Other expenses	15	680	213
<b>Total expenses</b>		<b>680</b>	<b>29,394</b>
<b>Loss before tax</b>		<b>680</b>	<b>29,394</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	(7,580)
<b>Loss after tax for the year</b>		<b>680</b>	<b>21,814</b>
<b>Other comprehensive income</b>			
		-	-
<b>Total comprehensive income for the year</b>		<b>(680)</b>	<b>(21,814)</b>
<b>Earning per share (Equity shares, par value of ₹ 10 each)</b>			
Basic and diluted	18	(13.61)	(436.28)
<b>Summary of significant accounting policies</b>	1 to 2		

The accompanying notes are an integral part of the financial statements

As per our Report of even date  
For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

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**Ashish Kedia**  
Partner  
Membership Number: 215834

Bengaluru  
03 June 2021

**For and on Behalf of the Board of Directors of  
Neptune Real Estate Private Limited**

**VIJAYAKU  
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**Vijaya Kumar D**  
Director  
DIN: 00036772

Bengaluru  
03 June 2021

**VASUNDHARA  
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**Vasundhara H**  
Director  
DIN: 05151884

Bengaluru  
03 June 2021

**Neptune Real Estate Private Limited**  
**Statement of Cash Flow for the Year Ended 31 March 2021**  
(All amounts in ₹ thousands except otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>(A) Cash Flow from operating activities:</b>		
Loss before tax	(680)	(29,394)
<b>Adjustments:</b>		
- Interest Expense	-	29,181
<b>Operating cash flow before working capital changes</b>	<b>(680)</b>	<b>(213)</b>
<i>Changes in</i>		
- Trade payables and Other liabilities and provisions	388	71
- Other financial assets & other current assets	(188)	(2,817)
<b>Cash used in from operations</b>	<b>(480)</b>	<b>(2,959)</b>
<b>Net cash used in operating activities</b>	<b>(480)</b>	<b>(2,959)</b>
<b>(B) Cash flow from investing activities:</b>	-	-
<b>(C) Cash flow from financing activities:</b>		
Proceeds from borrowing	-	241,165
Repayment of borrowings	-	(237,409)
<b>Net Cash generated from financing activities</b>	<b>-</b>	<b>3,756</b>
<b>Net (Decrease)/ Increase in cash and cash equivalents (A+B+C)</b>	<b>(480)</b>	<b>797</b>
Cash and cash equivalents at the beginning of the Year	820	23
<b>Cash and cash equivalents at the end of the year</b>	<b>340</b>	<b>820</b>
<b>Components of cash and Cash equivalents</b>		
Cash and cash equivalents at the end of the year (Refer note 5)	340	820
	<b>340</b>	<b>820</b>

**Summary of significant accounting policies**

1 to 2

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

As per our Report of even date  
For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

**Ashish Kedia**

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**Ashish Kedia**

Partner

Membership Number: 215834

Bengaluru  
03 June 2021

**For and on Behalf of the Board of Directors of  
Neptune Real Estate Private Limited**

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**Vijaya Kumar D**

Director

DIN: 00036772

Bengaluru  
03 June 2021

**Vasundhara H**

Director

DIN: 05151884

Bengaluru  
03 June 2021

**Neptune Real Estate Private Limited**  
**Statement of Changes In Equity for the year ended 31 March 2021**  
 (All amounts in ₹ thousands except otherwise stated)

**(A) Equity Share Capital**

	Equity shares	
	Number	Amount
<b>Balance as at 1 April 2019</b>	<b>50,000</b>	<b>500</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>50,000</b>	<b>500</b>
Changes in equity share capital during the year	-	-
<b>Balance as at the 31 March 2021</b>	<b>50,000</b>	<b>500</b>

**(B) Other Equity**

	Accumulated deficit	Other comprehensive income	Total other equity
<b>Balance as at 1 April 2019</b>	<b>(99,888)</b>	<b>-</b>	<b>(99,888)</b>
Loss for the year	(21,814)	-	(21,814)
<b>Balance as at 31 March 2020</b>	<b>(121,702)</b>	<b>-</b>	<b>(121,702)</b>
Loss for the year	(680)	-	(680)
<b>Balance as at the 31 March 2021</b>	<b>(122,383)</b>	<b>-</b>	<b>(122,383)</b>

**Summary of significant accounting policies**

1 to 2

**The accompanying notes are an integral part of the financial statements.**

As per our Report of even date  
 For **Walker Chandiok & Co LLP**  
 Chartered Accountants  
 Firm Registration No: 001076N/N500013

**Ashish Kedia**

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**Ashish Kedia**  
 Partner  
 Membership Number: 215834

Bengaluru  
 03 June 2021

**For and on Behalf of the Board of Directors of Neptune Real Estate Private Limited**

**VIJAYAKU  
 MAR  
 DHARMA  
 LINGAM**

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**Vijaya Kumar D**  
 Director  
 DIN: 00036772

Bengaluru  
 03 June 2021

**VASUNDHARA  
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 Date: 2021.06.03 16:06:10 +05'30'

**Vasundhara H**  
 Director  
 DIN: 05151884

Bengaluru  
 03 June 2021

## Neptune Real Estate Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ thousands except otherwise stated)

#### 1) Company Overview

Neptune Real Estate Private Limited ('the Company') was incorporated on 8 January 2007. The Company has been formed primarily for carrying on business of real estate development (Lease and sell of commercial /residential property). The registered office address of the Company is 1st Floor, Embassy Point 150, Infantry Road, Bangalore , Karnataka, India (560001) . The financial statements for the year ended 31 March 2021 were authorised and approved for issue by the Board of Directors on 03 June 2021.

During the year ended 31 March 2021, the Company has incurred a loss of ₹ 680 and have accumulated losses aggregated to ₹ 122,383 . The Company is into business of real estate development. The Company is holding a property in the nature of freehold land for capital appreciation having carrying value of ₹ 116,798 and fair value of ₹ 792,220 The Ultimate Holding Company has stated its unconditional intention to continue to infuse funds by way of loan or any other feasible mode into the Company towards expansion of business / working capital / repayment of loans to Holding Company as and when they fall due. Accordingly, based on above the Company will be able to realize its assets and discharge its liabilities as recorded in these financial statements in the normal course of business. Consequently, the financial statements, have been prepared on a going concern basis.

#### 2) Significant Accounting Policies

##### 2.01 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in ₹ and all values are rounded to the nearest thousand, except when otherwise stated.

##### 2.02 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities, as the case may be, in future periods.

##### Judgements

##### Classification of property

The Company determines whether a property is classified as investment property or property, plant and equipment: Investment property comprises land that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

##### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### 2.03 Current versus Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

*An asset is treated as current when it is:*

Expected to be realized within twelve months after the reporting period, or

Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

*A liability is current when it is:*

Due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets are classified as non-current assets .

## Neptune Real Estate Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

(All amounts in ₹ thousands except otherwise stated)

#### 2.04 Investment Properties

##### Recognition and Initial Measurement

Investment Properties are properties held to earn rentals or for capital appreciation, or both. Investment Properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company. All other repair and maintenance costs are recognized in Statement of Profit and Loss as expenses.

##### Subsequent Measurement (Depreciation and Useful Life)

Investment Properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the

##### De-Recognition

Investment Properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in Statement of Profit or Loss in the period of de-recognition.

#### 2.05 Impairment of Assets

##### Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any Indication that those assets have suffered an impairment loss. If any such Indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an Individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to Individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### Financial Assets

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through Statement of Profit and Loss. The Company tests for impairment using the ECL model for financial assets such as loans and advances to be settled in cash.

Loss allowance for loans with no significant financing component is measured at an amount equal to lifetime ECL. Lifetime ECL is the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment Loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss. This amount is reflected in a separate line in the Statement of Profit and Loss as an impairment gain or loss. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

#### 2.06 Borrowing Costs

Borrowing Costs are recognised in the Statement of Profit and Loss in the period in which they are incurred, except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised. Borrowing Costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



## **Neptune Real Estate Private Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**

(All amounts in ₹ thousands except otherwise stated)

#### **2.07 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **Interest Income**

Interest income is recognised on a time proportion basis as and when accrued. Interest income on financial instruments are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the asset.

#### **Dividends**

Dividends is recognised when the Company's right to receive the payment is established, which is generally when shareholders of the Investee Company approve the dividend.

#### **2.08 Income Taxes**

##### **Current tax**

Current Income Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the extant provisions of the Income Tax Act, 1961.

Current Income Tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity). Current Income Tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity. Management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company having reasonable certainty that it can be utilized against the normal taxes payable under the Income Tax Act 1961.

#### **2.09 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all potentially dilutive securities.

#### **2.10 Provisions**

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on 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.

## Neptune Real Estate Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

(All amounts in ₹ thousands except otherwise stated)

#### 2.11 Cash and cash equivalents

Cash and Cash Equivalents in the balance sheet comprise cheques in hand and cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and bank balance consist of Cash and Cash Equivalents and Short-Term Deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities.

#### 2.12 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

#### 2.13 Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### 2.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through Statement of Profit and Loss.

Financial liabilities are classified as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### Subsequent measurement

###### *(i) Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### *(ii) Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in Other Comprehensive Income.

###### *(iii) Financial assets at fair value through statement of profit and loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through Statement of Profit and Loss.

## Neptune Real Estate Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)

(All amounts in ₹ thousands except otherwise stated)

#### (iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through Statement of Profit and Loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the Effective Interest Rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortisation is included as finance costs in the Statement of Profit and Loss.

#### Offsetting of Financial instruments

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

#### Derecognition of Financial instrument

A financial asset is primarily derecognised when:

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

When the Company has transferred its right to receive the cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### 2.15 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

On March 24, 2021 the Ministry of Corporate Affairs 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 1 April 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 Items

- Lease Liabilities will 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 as for disclosure of shareholding of the promoters
- Specified format for ageing schedule for trade receivables, trade payables, Capital work in progress, and intangible assets under development
- If the Company has not used the funds for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosures under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds on immovable property not held in the name of Company, loans and advances to promoters, directors, Key managerial Personnel (KMP) and related parties, details of benami property held etc.

##### Statements 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 financial statements.

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

**Neptune Real Estate Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**

(All amounts in ₹ thousands except otherwise stated)

**3) Investment Property**

Particular	Investment Property	Total
<b>Cost or Deemed Cost</b>		
<b>Balance as at 01 April 2019</b>	116,798	116,798
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>116,798</b>	<b>116,798</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2021</b>	<b>116,798</b>	<b>116,798</b>
<b>Accumulated Depreciation</b>		
<b>Balance as at 01 April 2019</b>	-	-
Charge for the year	-	-
Disposals	-	-
<b>Balance as at 31 March 2020</b>	-	-
Charge for the year	-	-
Disposals	-	-
<b>Balance as at 31 March 2021</b>	-	-
<b>Carrying Amount:</b>		
<b>As at 31 March 2021</b>	<b>116,798</b>	<b>116,798</b>
<b>As at 31 March 2020</b>	<b>116,798</b>	<b>116,798</b>
<b>Fair Value (Refer Note (c) below)</b>		
As at 31 March 2021		<b>792,220</b>
As at 31 March 2020		<b>771,821</b>

**Notes:**

**(a) Amounts recognised in statement of profit and loss for investment property**

Rental income derived from investment properties	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	-	-
Less: Depreciation	-	-
<b>Profit arising from investment properties</b>	<b>-</b>	<b>-</b>

**(b) Restriction on realisability**

The Company has no restrictions on the realisability of its investment property.

**(c) Fair Value**

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the investment property annually.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The Company has adopted the Comparable Approach.

The direct comparison or comparable sale instances approach involves a comparison of the subject property to similar properties that have actually been sold in the vicinity or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and are particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. A comparative matrix will be developed for similar instances with respect to comparable parameters. The instance most comparable in maximum number of parameters will be chosen for further processing. Subsequently, premium and/or discounting factors will be applied to opine on the Market Value (OMV). This approach is a fair estimate of the prevailing prices.

**Neptune Real Estate Private Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**

(All amounts in ₹ thousands except otherwise stated)

	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>4) Other non current assets</b>		
<i>Unsecured, considered good</i>		
Advance against purchase of property	120,334	120,334
Less:- Provision for doubtful advances	(120,334)	(120,334)
	<u>-</u>	<u>-</u>
<b>5) Cash and cash equivalents</b>		
Balances with banks		
- On Current accounts	340	820
	<u>340</u>	<u>820</u>
<b>6) Other financial assets</b>		
<i>Unsecured, considered good</i>		
Security deposit	15	15
	<u>15</u>	<u>15</u>
<b>7) Other current assets</b>		
<i>Unsecured, considered good</i>		
Other advances	3,005	2,817
	<u>3,005</u>	<u>2,817</u>

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**Neptune Real Estate Private Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**

(All amounts in ₹ thousands except otherwise stated)

**8) Share Capital**

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
<b>Equity Share Capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10/- each	100,000	1,000	100,000	1,000
	<b>100,000</b>	<b>1,000</b>	<b>100,000</b>	<b>1,000</b>
<b>Issued, subscribed and fully paid-up capital</b>				
Equity shares of ₹ 10/- each	50,000	500	50,000	500
	<b>50,000</b>	<b>500</b>	<b>50,000</b>	<b>500</b>

**(a) Share held by Holding Company and Shareholders holding more than 5% equity shares of the Company:**

	As at 31 March 2021		As at 31 March 2020	
	Number	Percentage	Number	Percentage
Mac Charles (India) Limited	49,999	99.99%	49,999	99.99%
	<b>49,999</b>	<b>99.99%</b>	<b>49,999</b>	<b>99.99%</b>

**(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year is as given**

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
<b>Equity share</b>				
At the beginning of the year	50,000	500	50,000	500
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>50,000</b>	<b>500</b>	<b>50,000</b>	<b>500</b>

**(c) Rights, Entitlements and Obligations attached to Equity Shares:**

The Company has only one class of equity shares having par value of ₹ 10 each. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder's meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(d) Buy back of Equity Shares and Equity Shares allotted by way of Bonus Shares or for consideration other than cash:**

There have been no buy back of shares, issue of shares by way of bonus share or issue of share pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

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**Neptune Real Estate Private Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**

(All amounts in ₹ thousands except otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>9) Other Equity</b>		
Accumulated deficit	(122,383)	(121,702)
	<b>(122,383)</b>	<b>(121,702)</b>
<b>10) Borrowings</b>		
<i>Unsecured:</i>		
- From Holding Company	241,165	241,165
	<b>241,165</b>	<b>241,165</b>
<b>Note:</b>		
The Company has availed Interest free loan facility of ₹ 300,000 during the previous year from Mac Charles (India) Limited ("the Holding Company") for the purpose of working capital requirement. Out of the total facility, ₹ 241,165 withdrawn. The term loan is repayable on demand..Refer note 20 for disclosure of related party transactions.		
	As at 31 March 2021	As at 31 March 2020
<b>11) Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises ; and	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	287	287
	<b>287</b>	<b>287</b>
<b>Dues to Micro, Small and Medium Enterprises</b>		
The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest if any that may be payable in accordance with the provisions of the Act is not expected to be material.		
	As at 31 March 2021	As at 31 March 2020
<b>12) Other financial liabilities</b>		
Accrued expenses	442	81
Other payables	116	114
	<b>558</b>	<b>195</b>
<b>13) Other current liabilities</b>		
Statutory dues payable	30	5
	<b>30</b>	<b>5</b>
	Year ended 31 March 2021	Year ended 31 March 2020
<b>14) Finance costs</b>		
Interest expense (refer note 20)	-	29,181
	<b>-</b>	<b>29,181</b>
<b>15) Other expenses</b>		
Remuneration to Auditors		
-for statutory audit (including GST)	472	148
Rates & taxes	21	28
Professional fees	188	37
	<b>680</b>	<b>213</b>
<b>16) Contingent Liabilities and Commitments (to the extent not provided for)</b>		
There are no contingent liabilities and there are no contracts remaining to be executed on capital account and not provided for as at the balance sheet date (₹ Nil). Further, there are no commitments as on 31 St March 2021 (₹ Nil).		

**Neptune Real Estate Private Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**

(All amounts in ₹ thousands except otherwise stated)

**17) Income taxes**

a) The Company has not recognised income tax expense in the Statement of Profit and Loss and other comprehensive income during the year.

**b) Reconciliation of effective tax rate**

The major components of income-tax expense and the reconciliation of tax expense based on the effective tax rate of the Company at 26% and the reported tax expense in profit or loss are as follows :-

	<u>Year ended 31 March 2021</u>	<u>Year ended 31 March 2020</u>
<b>Accounting Loss before Income tax</b>	(680)	(29,394)
Income tax expense calculated at domestic tax rates applicable to profits (26%)	(177)	(7,642)
<b>Effect of:</b>		
Impact on Non-Deductible Expenses for Tax Purposes	177	15,222
Income Tax expense reported in the Statement of Profit and Loss	<u>-</u>	<u>7,580</u>

**c) Unrecognised deferred tax assets**

The Company has no unrecognised deferred tax assets.

**d) Movement of deferred tax assets and liabilities**

	<u>Year ended 31 March 2021</u>	<u>Year ended 31 March 2020</u>
Opening balance	-	7,580
Write back for the year	-	(7,580)
Closing balance	<u>-</u>	<u>-</u>

**18) Earnings per share (EPS)**

The following reflects the profit and weighted average number of shares data used in the basic and diluted Earnings Per Share computation:

	<u>Year ended 31 March 2021</u>	<u>Year ended 31 March 2020</u>
Loss for the year for calculating basic and diluted Earnings Per Share	680	21,814
Weighted average number of equity shares for calculating basic and diluted Earnings Per Share	50,000	50,000
Basic & diluted	(13.61)	(436.28)

**19) Segment Information**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating segments' operating results are reviewed by the Chief Operating Decision Maker (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. The Company is primarily engaged in the business of real estate. Further, the Company operates only in India. Accordingly, separate disclosures per the requirements of Ind AS 108, Operating Segments, are not considered necessary.

(This space has been intentionally left blank.)



**Neptune Real Estate Private Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**  
(All amounts in ₹ thousands except otherwise stated)**20) Related party transactions :****(a) Names of related parties where control exists irrespective of whether transactions have occurred or not:**

<b>Name of Related Party</b>	<b>Nature of Relationship</b>
Embassy Property Developments Private Limited	Ultimate Holding Company
Embassy Property Developments Private Limited	Holding Company till 02 July 2019
Mac Charles (India) Limited	Holding Company from 03 July 2019
Blue Lagoon Real Estate Private Limited	Fellow Subsidiary

**(b) Transactions with Related Parties :**

<b>Nature of transactions</b>	<b>Year Ended 31 March 2021</b>	<b>Year Ended 31 March 2020</b>
<b>Loan taken from Related Parties:</b>		
- Embassy Property Developments Private Limited	-	(237,409)
- Mac Charles (India) Limited	-	241,165
<b>Interest Expenses:</b>		
- Embassy Property Developments Private Limited	-	29,181
<b>Reimbursement of Expenses Paid</b>		
- Blue Lagoon Real Estate Private Limited	10	16
<b>Expense incurred on behalf of:</b>		
- Embassy Property Development Private Limited	8	-

**(c) Amount Outstanding as on the date of Balance Sheet :**

	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Loan from Related Parties:</b>		
- Mac Charles (India) Limited	241,165	241,165
<b>Other financial liabilities</b>		
- Embassy Property Developments Private Limited	7	16
- Blue Lagoon Real Estate Private Ltd	108	98

*(This space has been intentionally left blank.)*

**Neptune Real Estate Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**  
(All amounts in ₹ thousands except otherwise stated)

**21) Financial instruments**

**A. Accounting classification and fair value**

The carrying value and fair value of financial instruments by categories are as below:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Financial assets measured at amortised cost:</b>		
- Cash and cash equivalents	340	820
- Other financial assets	15	15
	<b>355</b>	<b>835</b>
<b>Financial liabilities measured at amortised cost:</b>		
- Borrowings	241,165	241,165
- Trade payables	287	287
- Other Financial liabilities	558	195
	<b>242,010</b>	<b>241,647</b>

**B. Fair value hierarchy**

Particulars	As at	Fair value			Total
	31 March 2021	Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost:</b>					
<i>Current financial assets</i>					
- Cash and cash equivalents	340	-	-	-	-
- Other financial assets	15	-	-	-	-
<b>Total</b>	<b>355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities measured at amortised cost:</b>					
<i>Current financial liabilities</i>					
- Borrowings	241,165	-	-	-	-
- Trade payables	287	-	-	-	-
- Other financial liabilities	558	-	-	-	-
<b>Total</b>	<b>242,010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, other current financial assets, borrowings, trade payables and other current liabilities because their carrying amounts are a reasonable approximation of fair value.

Particulars	As at	Fair value			Total
	31 March 2020	Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost:</b>					
<i>Current financial assets</i>					
- Cash and cash equivalents	820	-	-	-	-
- Other financial assets	15	-	-	-	-
<b>Total</b>	<b>835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities Measured at Amortised Cost:</b>					
<i>Current financial liabilities</i>					
- Borrowings	241,165	-	-	-	-
- Trade payables	287	-	-	-	-
- Other financial liabilities	195	-	-	-	-
<b>Total</b>	<b>241,647</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**22) Financial Instruments - Risk Management**

The Company's financial assets majorly comprise of cash & cash equivalents and other financial assets. The Company's financial liabilities majorly comprises of borrowings and trade payables.

The Company is exposed to credit risk, liquidity risk and interest rate risk arising out of operations and the use of financial instruments. The Board of Directors have overall responsibility for establishment and review of the Company's risk management

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

**Neptune Real Estate Private Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**

(All amounts in ₹ thousands except otherwise stated)

**(a) Credit Risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or loans given leading to financial loss. Cash and Bank Deposits are placed with banks and financial institutions which are regulated. Management does not expect any of its counterparties to fail to meet its obligations.

**(b) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility.

The Company has a dedicated treasury management team on a group level which monitors on a daily basis the fund positions/requirements of the Company. The treasury management team plans the cash flows of the Company by planning and identifying future mismatches in funds availability and reports the planned & current liquidity position to the top management and Board of Directors of the Company.

**Exposure to Liquidity Risk**

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:

<b>31 March 2021</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Financial liabilities</b>				
- Borrowings	241,165	-	-	241,165
- Trade payables	287	-	-	287
- Other financial liabilities	558	-	-	558
	<b>242,010</b>	<b>-</b>	<b>-</b>	<b>242,010</b>
<b>31 March 2020</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Financial liabilities</b>				
- Borrowings	241,165	-	-	241,165
- Trade payables	287	-	-	287
- Other financial liabilities	195	-	-	195
	<b>241,647</b>	<b>-</b>	<b>-</b>	<b>241,647</b>

**23) Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, optionally convertible debentures, compulsorily convertible debentures and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

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. Management monitors the return on capital. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity. The Company's adjusted net debt to equity ratio at 31 March 2021 and 31 March 2020 was as follows;

<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2021</b>	<b>31 March 2020</b>
Borrowings	241,165	241,165
Net Debt	241,165	241,165
Capital - Equity Attributable to the Equity Holders	(121,883)	(121,202)
Capital and Net Debt	119,283	119,963
<b>Gearing Ratio</b>	<b>202.18%</b>	<b>201.03%</b>

**Neptune Real Estate Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (cont'd)**

(All amounts in ₹ thousands except otherwise stated)

24) Additional information as required under paragraph 5 of Part II of the Schedule III to the Act, to the extent either "nil" or "not applicable" has not been furnished.

25) Previous year's comparatives have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

**26) Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Investment property and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and expects the carrying amount of these assets will be recovered. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions..

27) The financial statements of the Company for the year ended 31 March 2020 have been audited by firm other than Walker Chandiok & Co LLP.

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**The Notes referred to above form an integral part of the Financial Statements**

As per our Report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Ashish Kedia**

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**Ashish Kedia**

Partner

Membership Number: 215834

Bengaluru

03 June 2021

**For and on Behalf of the Board of Directors of  
Neptune Real Estate Private Limited**

**VIJAYAKU  
MAR  
DHARMALI  
NGAM**

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Date: 2021.06.03  
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**Vijaya Kumar D**

Director

DIN: 00036772

Bengaluru

03 June 2021

**VASUND  
HARA  
HARSHAV  
ARDHAN**

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HARSHAVARDHA  
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**Vasundhara H**

Director

DIN: 05151884

Bengaluru

03 June 2021