



## INDEPENDENT AUDITOR'S REPORT

**To the Partners of MEENAKSHI TOWERS LLP**

### Report on the Ind AS Financial Statements

#### Opinion

We have examined the accompanying Ind AS financial statements of **Meenakshi Towers LLP** ("The LLP") which comprises the Balance Sheet as at 31<sup>st</sup> March 2023 and the statement of Profit and Loss (including other comprehensive income) and the 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 Ind AS financial statements give the relevant information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind Accounting standards (Ind AS), of the state of affairs of the LLP as at 31<sup>st</sup> March 2023, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in Auditor's responsibility for Audit of financial statements section of our report. We are independent of LLP in accordance with Code of Ethics issued by Institute of Chartered Accountants of India and we fulfil our 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 basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note no. 20 to the financial statements, which states that the land owner M/s. IIFL Management Services Limited has withdrawn from the Joint Development Agreement entered with the LLP, indicating that a material uncertainty exists that may cast a significant doubt on the LLP's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



## **Management Responsibility**

The Management of the LLP is responsible for the preparation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the LLP in according with the accounting principles generally accepted in India including the Ind AS issued by the Institute of Chartered Accountants of India.

This responsibility also includes maintenance of adequate accounting records, for safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 IndAS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so. The Partners are responsible for overseeing the entity'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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to



events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

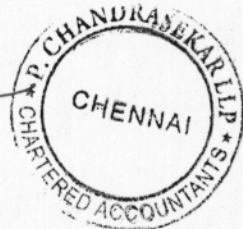
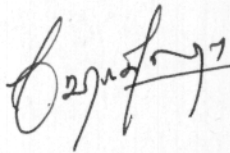
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Other Matter**

The Ind AS financial information of the LLP for the year ended 31<sup>st</sup> March 2023 are prepared for the specific purpose of consolidation of these financial statements with parent company. These Ind AS financial statements are not meant for general users, though these Ind AS financial statements are prepared under general purpose financial reporting framework.

Our opinion is not modified in respect of this matter.

For P Chandrasekar LLP  
Chartered Accountants  
FRN: 00580S/S200066



S Raghavendhar  
Partner  
M. No. 244016  
UDIN: 23244016BGQPXG5160

Date: 20<sup>th</sup> April 2023  
Place: Chennai

MEENAKSHI TOWERS LLP				
Balance Sheet as at 31st March 2023				
	Particulars	Note No.	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
I	<b>ASSETS</b>			
	Non-Current Assets			
	(a) Property, Plant and Equipment	2	1,04,001	2,52,732
	(b) Intangible assets	3	1,000	2,376
	(c) Deferred Tax Assets		-	-
	Total Non-Current Assets (A)		1,05,001	2,55,108
	Current Assets			
	(a) Inventories		-	-
	(b) Financial Assets	4		
	(i) Trade Receivables	4.1	-	-
	(ii) Cash and Cash Equivalents	4.2	1,83,49,299	1,33,01,183
	(iii) Other Financial Assets	4.3	3,25,190	3,92,93,994
	(c) Other Current Assets	5	10,314	2,05,85,468
	Total Current Assets (B)		1,86,84,803	7,31,80,645
	<b>Total Assets [A+B]</b>		<b>1,87,89,804</b>	<b>7,34,35,753</b>
II	<b>EQUITY AND LIABILITIES</b>			
	Equity			
	(a) Partners' Capital Account	6	1,00,000	1,00,000
	(b) Partners' Current Account	7	(6,30,32,890)	(46,50,66,691)
	Total Equity (C)		(6,29,32,890)	(46,49,66,691)
	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Other financial liabilities		-	-
	Total Non-Current Liabilities (D)		-	-
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	8.1	8,10,00,000	49,30,00,000
	(ii) Trade payables	8.2	2,24,743	8,51,600
	(iii) Other financial liabilities	8.3	1,72,563	4,37,95,047
	(b) Other current liabilities	9	3,25,388	7,55,797
	Total Current Liabilities (E)		8,17,22,694	53,84,02,444
	Total Liabilities [D+E]		8,17,22,694	53,84,02,444
	<b>Total Equity and Liabilities [A+D+E]</b>		<b>1,87,89,804</b>	<b>7,34,35,753</b>

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For P.Chandrasekar LLP

Chartered Accountants

FRN: 000589S/S200066

S Raghavendhar

Partner

Membership No: 244016

Place: Chennai

Date: 20-04-2023



For and on behalf of the LLP

*Mahaveer Chand Lunawath*

Mahaveer Chand Lunawath

Designated Partners

*Rajeev.R*

Rajeev.R

## MEENAKSHI TOWERS LLP

## Statement of Profit and loss for the Period ended 31st March 2023

	Particulars	Note No.	Amount in ₹	
			For the year ended 31st March 2023	For the year ended 31st March 2022
I	Revenue from Projects	10	-	1,71,64,638
II	Other Income	11	71,349	8,97,354
III	<b>Total Income (I+II)</b>		<b>71,349</b>	<b>1,80,61,992</b>
IV	Expenses			
	(a) Changes in inventory	12	-	2,32,54,511
	(b) Employee benefit expense	13	8,39,933	7,59,054
	(c) Interest Cost	14	4,83,69,317	4,54,01,409
	(d) Depreciation and amortisation expense	2	2,44,007	2,51,636
	(e) Other expenses	15	66,73,026	1,59,83,805
	<b>Total Expenses</b>		<b>5,61,26,283</b>	<b>8,56,50,414</b>
V	<b>Profit before tax from continuing operations (III-IV)</b>		<b>(5,60,54,934)</b>	<b>(6,75,88,422)</b>
VI	<b>Exceptional Items</b>	19	40,32,61,675	-
VII	Income tax expense			
	(a) Current tax		-	-
	(b) Deferred taxes		-	-
	Total tax expense		-	-
VIII	<b>Profit after tax for the year (V-VI-VII)</b>		<b>34,72,06,741</b>	<b>(6,75,88,422)</b>
IX	Other comprehensive income			
	Items that may not be reclassified to the statement of profit and loss			
	(i) Changes in revaluation surplus		-	-
	(ii) Income tax relating to these items		-	-
	Other comprehensive income for the year, net of tax		-	-
X	<b>Total comprehensive income (VIII+IX)</b>		<b>34,72,06,741</b>	<b>(6,75,88,422)</b>

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For P.Chandrasekar LLP

Chartered Accountants

FRN: 000580S/S200066

S Raghavendhar

Partner

Membership No: 244016

Place: Chennai

Date: 20-04-2023



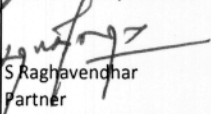


For and on behalf of the LLP

*Mahaveer Chand Lunawath*

Mahaveer Chand Lunawath  
Designated Partners

*Rajeev. R*

Rajeev. R

<b>MEENAKSHI TOWERS LLP</b>		
<b>Statement of Cashflows for the year ended 31 March 2023</b>		
Particulars	For the year ended 31 March 2023 (₹)	For the year ended 31 March 2022 (₹)
<b>I Cash flows from operating activities</b>		
Profit before tax for the year	34,72,06,741	(6,75,88,422)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	2,44,007	2,51,636
Finance Cost	4,83,69,317	4,54,01,409
Interest income	(71,349)	-
<b>Operating profit before working capital changes</b>	<b>39,57,48,716</b>	<b>(2,19,35,377)</b>
<i>Adjustments for (increase)/ decrease in operating assets:</i>		
Inventories	-	2,32,54,511
Trade receivables	-	61,57,981
Other current financial assets	3,89,68,804	(1,23,12,868)
Other current assets	2,05,75,154	12,09,673
<i>Adjustments for (increase)/ decrease in operating liabilities:</i>		
Trade payables	(6,26,857)	(5,00,306)
Other current liabilities	(4,30,410)	(97,57,963)
<b>Cash generated from operations</b>	<b>45,42,35,407</b>	<b>(1,38,84,349)</b>
(Income taxes paid) / refund received		2,10,021
<b>Net cash (used in)/generated by operating activities (I)</b>	<b>45,42,35,407</b>	<b>(1,36,74,328)</b>
<b>II Cash flows from investing activities</b>		
Additions to Property, Plant and Equipment	(93,899)	-
Interest income	71,349	-
<b>Net cash (used in)/generated by investing activities (II)</b>	<b>(22,550)</b>	<b>-</b>
<b>III Cash flows from financing activities</b>		
Capital contribution by partners	5,48,27,060	-
Net (Repayment) / receipts of borrowings	(41,20,00,000)	1,27,44,947
Finance Cost	(9,19,91,801)	(16,06,362)
<b>Net cash (used in)/generated by financing activities (III)</b>	<b>(44,91,64,741)</b>	<b>1,11,38,585</b>
<b>IV Net increase/(decrease) in cash and cash equivalents (I+II+III)</b>	<b>50,48,116</b>	<b>(25,35,743)</b>
<b>V Cash and cash equivalents at the beginning of the year</b>	<b>1,33,01,183</b>	<b>1,58,36,926</b>
<b>VI Cash and cash equivalents at the end of the year (IV+V)</b>	<b>1,83,49,299</b>	<b>1,33,01,183</b>
<b>Cash and cash equivalents constitute (Refer Note 1.4)</b>		
Balances with banks		
Current accounts	1,83,36,724	1,32,88,166
Cash-in-Hand	12,576	13,017
<i>The accompanying notes form an integral part of the financial statements</i>		
As per our attached report of even date		
For P.Chandrasekar LLP Chartered Accountants FRN: 000580S/S200066	For and behalf of the LLP	
 S Raghavendhar Partner Membership No: 244016	 Mahaveer Chand Lunawath Designated Partners	
	Rajeev.R	
Place: Chennai Date: 20-04-2023		

**MEENAKSHI TOWERS LLP**

**Notes to the financial statements for the year ended 31st March 2023**

Note No.	Particulars	Amount in ₹	
		As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
4	Financial Assets		
4.1	Trade Receivables		
	Provision for Bad and Doubtful Debt	-	55,58,361
	Advances from Customers	-	(55,58,361)
		-	-
4.2	Cash and Cash Equivalents		
	Balances with banks		
	Current accounts	1,83,36,724	1,32,88,166
	Cash-in-Hand	12,576	13,017
		<b>1,83,49,299</b>	<b>1,33,01,183</b>
4.3	Other Financial Assets		
	(Unsecured and considered good)		
	Loan to Induscity Scapes Construction Pvt. Ltd.	2,62,23,857	2,62,23,857
	Provision for expected credit loss	(2,62,23,857)	-
	Electricity Deposit	3,25,190	3,25,190
	Loan to Shreyans Foundations LLP	-	1,27,44,947
		<b>3,25,190</b>	<b>3,92,93,994</b>
5	Other Current Assets		
	Balances with Statutory Authorities		
	Goods and Service Tax	-	2,05,10,652
	Income Tax A.Y.2018-19	10,314	10,314
	Tax deducted at Source (TDS)	-	64,502
		<b>10,314</b>	<b>2,05,85,468</b>
6	Partners' Capital Account		
	IIFL Management Services Ltd.	50,000	50,000
	(Refer Note 21)	-	-
	Shreyans Foundations LLP	50,000	50,000
		<b>1,00,000</b>	<b>1,00,000</b>
	Terms and rights of each partners		
	Each partner is entitled for an equal share in the profits of the firm.		



Note No.	Particulars	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
7	Partners' Current Account		
	Opening Balance of Share of Loss of Partners		
	IIFL Management Services Ltd.	(23,25,33,345)	(19,87,39,134)
	Shreyans Foundations LLP	(23,25,33,345)	(19,87,39,134)
	Share of Loss of Partners	(46,50,66,691)	(39,74,78,268)
	Add:		
	<b>Profit/(Loss) of the current period</b>		
	IIFL Management Services Ltd.	17,36,03,370	(3,37,94,211)
	Shreyans Foundations LLP	17,36,03,370	(3,37,94,211)
	<b>Capital Contribution</b>		
	From IIFL Management Services Ltd	4,79,72,007	-
	From Shreyans Foundations LLP	68,55,053	-
		<b>34,72,06,741</b>	<b>(6,75,88,422)</b>
	Closing Balance of Share of Loss of Partners		
	IIFL Management Services Ltd.	(1,09,57,968)	(23,25,33,345)
	Shreyans Foundations LLP	(5,20,74,922)	(23,25,33,345)
		<b>(6,30,32,890)</b>	<b>(46,50,66,691)</b>
	Financial Liabilities		
8.1	Borrowings		
	Loan - IIFL Management Services Ltd*	8,10,00,000	-
	Loan - IIFL Facilities Services Limited	-	49,30,00,000
		<b>8,10,00,000</b>	<b>49,30,00,000</b>
	*Repayable on demand. Interest is applicable at 10.8% p.a		
8.2	Trade payables		
	Trade payables	2,24,743	8,51,600
		<b>2,24,743</b>	<b>8,51,600</b>
	There are no principal or interest amount dues remaining unpaid to Micro, Small and Medium Enterprises as at 31 March 2023 in respect of such undertakings.		
8.3	Other current financial liabilities:		
	Interest accrued towards borrowings	1,72,563	4,37,95,047
		<b>1,72,563</b>	<b>4,37,95,047</b>
9	Other current liabilities		
	Statutory Liabilities (other than income taxes)	3,25,388	4,14,397
	Statutory Liabilities IGST	-	3,41,400
		<b>3,25,388</b>	<b>7,55,797</b>





MEENAKSHI TOWERS LLP			
Notes to financial statements for the year ended 31st March 2023			
Note No.	Particulars	For the period ended 31st March 2023 (₹)	For the period ended 31st March 2022 (₹)
10	Revenue from Projects	-	1,71,64,638
		-	1,71,64,638
11	Other Income		
	Interest on IT Refund	57,559	20,136
	Liquidatd damage on development rights	-	8,77,218
	Sundry Balances Writoff	13,790	-
		<b>71,349</b>	<b>8,97,354</b>
12	Changes in inventory		
	Unsold Flats		
	Opening stock	-	2,32,54,511
	Less: Closing stock	-	-
		-	<b>2,32,54,511</b>
13	Employee benefit expense		
	Salary, wages and bonus	7,88,000	7,28,000
	Staff welfare expenses	51,933	31,054
		<b>8,39,933</b>	<b>7,59,054</b>
14	Finance Cost		
	Interest Cost	4,83,69,317	4,54,01,409
		<b>4,83,69,317</b>	<b>4,54,01,409</b>
15	Other expenses		
	Bank charges	3,857	3,490
	Electricity charges	1,68,011	1,25,036
	Insurance	5,096	-
	Additional Improvement Costs	15,64,846	36,86,402
	Site maintenance expenses	5,10,689	2,05,256
	Repairs & maintenance	5,87,702	16,73,437
	Miscellaneous expenses	99,547	63,299
	Auditors remuneration	2,00,000	2,00,000
	Postage & Communication expenses	11,265	10,023
	Printing & Stationery	13,575	5,012
	Professional & consultancy charges	16,56,150	26,57,950
	Rates & taxes	10,19,689	7,91,338
	Sales promotion expenses	-	1,60,000
	Security charges	5,22,774	5,14,400
	Bad Debts written off	55,58,361	-
	Provision written back	(55,58,361)	-
	Sundry balances written off	-	3,29,801
	Travelling & conveyance	3,09,825	55,58,361
		<b>66,73,026</b>	<b>1,59,83,805</b>



Description of Assets	Amount in ₹							Total
	Plant & Machinery	Furniture & Fittings	Computer	Office Equipment	Vehicles	Software		
<b>I. Gross Carrying Amount</b>								
Balance as at 1 April 2022	5,29,194	2,21,057	58,378	8,20,150	6,88,108	20,300	23,37,187	
Additions	-	-	93,898	-	-	-	93,898	
Disposals/ adjustments	-	-	-	-	-	-	-	
Reclassified as held for sale	-	-	-	-	-	-	-	
Property, Plant and Equipment	5,29,194	2,21,057	1,52,276	8,20,150	6,88,108	20,300	24,31,085	
Intangible assets	5,29,194	2,21,057	1,52,276	8,20,150	6,88,108	20,300	24,10,785	
	-	-	-	-	-	-	20,300	
<b>II. Accumulated depreciation and impairment</b>								
Balance as at 1 April 2022	4,54,729	2,10,004	55,459	7,13,203	6,30,759	17,924	20,82,078	
Depreciation expense for the period	73,465	10,053	95,817	1,05,947	(42,651)	1,376	2,44,007	
Eliminated on disposal of assets	-	-	-	-	-	-	-	
Eliminated on reclassification as held for sale	-	-	-	-	-	-	-	
Property, Plant and Equipment	5,28,194	2,20,057	1,51,276	8,19,150	5,88,108	19,300	23,26,085	
Intangible assets	5,28,194	2,20,057	1,51,276	8,19,150	5,88,108	19,300	23,06,785	
	-	-	-	-	-	-	19,300	
<b>III. Net carrying amount as at 31 Mar 2023 (I-II)</b>								
Property, Plant and Equipment	1,000	1,000	1,000	1,000	1,00,000	1,000	1,05,000	
Intangible assets	1,000	1,000	1,000	1,000	1,00,000	1,000	1,04,001	
	-	-	-	-	-	-	1,000	



## MEENAKSHI TOWERS LLP

### Notes to the financial statements for the year ended 31st March 2023

#### 1 Significant accounting policies

This note provides a list of the significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 1.1 Basis of preparation

###### (a) Compliance with Ind AS

The LLP's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India.

The LLP's financial statements are prepared in compliance with the Accounting Standards, but these proforma financial statements are prepared in compliance to the Ind AS for the purpose of consolidation of these financial statements with those of the parent entity.

###### (b) Historic cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

###### (c) Functional currency transactions

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the LLP.

##### 1.2 Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

Recognition of deferred tax assets

Recoverability of advances/ receivables

##### 1.3 Classification of assets and liabilities as current and non-current

All assets and liabilities have been classified as current or non-current as per the LLP's normal operating cycle. Based on the nature of service rendered and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the LLP has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

##### 1.4 Revenue recognition

###### (a) Rendering of services

Revenue arises from the rendering of construction services to customers. It is measured as the fair value of consideration received or receivable. Amounts disclosed as revenue are net of refunds, trade discounts and amounts collected on behalf of third parties.

The LLP recognises revenue when or as it transfers promised goods or services to a customer. A 'transfer' occurs when the customer obtains control of the good or service.

A customer obtains control of an asset (good or service) when it can direct the use of and obtain substantially all the remaining benefits from it. Control includes the ability to prevent other entities from directing the use of and obtaining the benefits from an asset.



(b) Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

1.5 Income taxes

Taxes comprise current income tax and deferred tax.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period. The LLP establishes provisions where appropriate on the amounts expected to be paid to the tax authorities. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

(b) Deferred tax

Deferred tax is provided to the extent of unabsorbed depreciation using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets (including MAT credit available) 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 assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

1.6 Cash and cash equivalents

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents comprise cash at banks and on hand and deposits held at call with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



### 1.7 Property, Plant and Equipment

The LLP has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. The LLP has provided for depreciation on straight line basis over the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

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

### 1.8 Fair value measurement

#### (a) Financial assets

##### Initial recognition and measurement

Financial assets are recognised when the LLP becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

##### Subsequent measurement

A debt instrument is measured at the amortised cost if the assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. All other debt instruments are measured as Fair Value through other comprehensive income or Fair value through profit and loss based on LLP's business model.

##### De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### (b) Financial liabilities

##### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified at amortised cost.

##### Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

##### De-recognition of financial assets

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### Offsetting of financial instruments

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

### 1.9 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss. Loan origination costs are amortised over the tenor of respective loans using effective interest method.



#### 1.10 Provisions, contingent assets and contingent liabilities

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent assets are neither recognized nor disclosed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### 1.11 Impairment of financial assets

In accordance with Ind-AS 109, the LLP applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the LLP in accordance with the contract and all the cash flows that the LLP expects to receive.

When estimating the cash flows, the LLP is required to consider:

All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

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

The LLP measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis.

#### 1.12 Long term and post employment obligations

The LLP doesn't have any long term and post employment obligation which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service

#### 1.13 Inventory

Work in Progress and unsold flats are valued at cost. Cost of work in progress and unsold flats are determined by considering direct material cost, labour costs and appropriate portion of overheads and non-recoverable duties incurred in bringing the inventories to their present location and condition.

#### 1.14 Events after Reporting Period

The amounts in the financial statements are adjusted to reflect adjusting events, if any, after the reporting period.



## 16 Financial Risk Management

The LLP's activities expose it to liquidity risk and credit risk. The sources of risks which the LLP is exposed to and how the LLP manages the risk is as follows:

Risk	Exposure arising from	Measurement	Management strategy
Credit risk	Cash and cash equivalents, trade receivables and other financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits
Liquidity risk	Borrowings and other liabilities	Cashflow forecasts	Availability of borrowing facilities

## 17 Related party disclosures

Designated Partners  
Shreyans Foundations LLP

Key Managerial Personnel - Authorised Representatives (KMP)  
Mr. Mahaveer Chand Lunawath (Shreyans Foundation LLP)  
Mr. Rajeev (IIFL Management Services Ltd.)

Associates  
Inducity Scapes Construction Pvt. Ltd.

Name of the related Party	Amount for FY 2022-23	Amount for FY 2021-22
Loan Repaid	49,30,00,000	-
Loan Outstanding	-	49,30,00,000
Interest Expense	4,83,69,317	4,54,01,409
Interest outstanding at the end of the year	-	4,37,95,047
Compensation received for termination of JDA	45,00,00,000	-

## 18 Contingent liabilities and commitments (to the extent not provided for)

Particulars	Amount in ₹
Contingent liabilities	77,51,862
Capital commitments	Nil

## Exceptional Items

	Amount (Rs.)
19 (i) During the year, one of the land owners M/s IIFL Management Services Limited with whom the firm had a Joint Development Agreement for development of land in Madurai, withdrew from the arrangement. The firm received a compensation of Rs. 45 crores from the withdrawing owner to compensate for the loss of profit suffered by the firm. This compensation is shown as an exceptional item.	45,00,00,000
(ii) During the year the firm has created a provision of Rs. 2.62 crores towards possible non-recovery of business advance given to M/s Inducityscape Constructions for business purposes .	(2,62,23,857)
(iii) During the year the firm wrote off GST input credit which was considered irrecoverable.	(2,05,14,468)
<b>Total</b>	<b>40,32,61,675</b>

20 The Joint Development agreement which the significant source of revenue for the firm in the upcoming years has been terminated by the land owner. In consequence, the firm does not have any project on hand casting a material uncertainty on the ability of the firm to continue as a going concern. However, the management is in the process of identifying suitable projects for future execution.

21 Corresponding figures of the previous year have been re-grouped wherever necessary to conform to current year's figures.

As per our attached report of even date

For P.Chandrasekar LLP  
Chartered Accountants  
FRN: 000805/S200066

  
S. Raghavendhar  
Partner  
Membership No: 244016  
Place: Chennai  
Date: 20-04-2023



For and on behalf of the LLP

  
Mahaveer Chand Lunawath  
Designated Partners

  
Rajeev.R