



Date: May 30, 2023

<b>The General Manager, Listing Department BSE Limited PhirozeJeejeebhoy Towers, Dalal Street, Mumbai 400 001</b>	<b>The Vice-President, Listing Department National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051</b>
Scrip Code : 533160	Scrip Symbol : DBREALTY
Fax No.: 022 – 2272 3121/ 2039	Fax No.: 022 – 26598237/38

Dear Sir,

**Sub: Outcome of the Board Meeting-Submission of audited standalone and consolidated Financial Results for the fourth quarter and financial year ended 31<sup>st</sup> March, 2023**

(The meeting of the Board of Directors of the Company commenced at 6.30 p.m and concluded at 11.15 p.m)

We are enclosing herewith the audited standalone and consolidated Financial Results for the fourth quarter and financial year ended 31<sup>st</sup> March, 2023 approved at the Board Meeting held today, along with the Statement on Impact of Audit Qualifications (for Audit Report with Modified Opinion) and Audit Report given by Statutory Auditors of the Company.

The above is for your information and records.

Thanking You,

Yours faithfully,

**For D B Realty Limited**

**Jignesh Shah  
Company Secretary**

**D B REALTY LIMITED**

Regd. Office: 7th Floor, Resham Bhavan, Veer Nariman Road, Churchgate, Mumbai-400 020 Tel: 91-22-49742706  
Correspondence Add.: 4th Floor, Wing 15, Gate No.2, Ten BKC, off. N. Dharmadhikari Marg, Kalanagar, Bandra (East), Mumbai – 400 051  
Website: [www.dbrealty.co.in](http://www.dbrealty.co.in) Email: [info@dbg.co.in](mailto:info@dbg.co.in) Tel: 91-22-35201670  
CIN : L70200MH2007PLC166818

**D B REALTY LIMITED**  
**REGD. OFFICE : 7th Floor, Resham Bhavan, Veer Nariman Road, Churchgate, Mumbai - 400 020**  
**CIN L70200MH2007PLC166818**

**Statement of Unaudited Standalone Financial Results for the quarter ended March 31, 2023 and Audited Standalone Financial Results for the year ended March 31, 2023**

(Rs. in lacs other than EPS)

Sr. No.	PARTICULARS	Quarter Ended			Year Ended	Year Ended
		31st Mar 23	31st Dec 22	31st Mar 22	31st Mar 23	31st Mar 22
		Unaudited (refer note 28 below)	Unaudited	Unaudited (refer note 28 below)	Audited	Audited
1	Revenue from operations (refer note 24)	-	107.78	111.62	358.04	385.48
2	Other income (refer note 27)	1,395.71	4,655.85	866.54	10,575.97	3,702.93
3	<b>Total income (1+2)</b>	<b>1,395.71</b>	<b>4,763.63</b>	<b>978.16</b>	<b>10,934.01</b>	<b>4,088.41</b>
4	<b>Expenses</b>					
	a. Project expenses	388.37	466.34	1,477.43	1,982.82	2,305.75
	b. Changes in Inventories of finished goods, work in progress and stock-in-trade	(388.37)	(466.34)	(1,591.17)	(1,982.82)	(2,419.49)
	c. Employee benefits expenses	44.43	77.41	3.05	270.16	106.18
	d. Depreciation and amortisation	3.51	3.52	1.96	12.62	17.42
	e. Finance costs (refer note 9, 10 & 25)	680.63	256.65	274.60	1,513.97	8,096.03
	f. Other expenses (net) (refer note 26)	361.18	1,115.38	1,079.15	3,581.69	26,087.68
	<b>Total expenses (a+b+c+d+e+f)</b>	<b>1,089.75</b>	<b>1,452.97</b>	<b>1,245.02</b>	<b>5,378.44</b>	<b>34,193.57</b>
5	<b>Profit / (loss) before exceptional items (3-4)</b>	<b>305.96</b>	<b>3,310.66</b>	<b>(266.86)</b>	<b>5,555.57</b>	<b>(30,105.16)</b>
6	Exceptional items (refer note 12)	-	-	27,390.33	-	27,390.33
7	<b>Profit / (loss) before tax (5+6)</b>	<b>305.96</b>	<b>3,310.66</b>	<b>27,123.47</b>	<b>5,555.57</b>	<b>(2,714.83)</b>
8	<b>Tax Expenses</b>					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax (refer note 7)	76.00	946.70	4,487.15	2,028.69	5,018.47
	(c) (Excess) / short provision of tax for the earlier years	-	9.77	(59.22)	9.77	(218.96)
	<b>Total Tax expense</b>	<b>76.00</b>	<b>956.47</b>	<b>4,427.93</b>	<b>2,038.46</b>	<b>4,799.51</b>
9	<b>Profit / (loss) after tax (7-8)</b>	<b>229.96</b>	<b>2,354.19</b>	<b>22,695.54</b>	<b>3,517.11</b>	<b>(7,514.34)</b>
10	<b>Other comprehensive income</b>					
	A. Items that will not be reclassified to profit or loss					
	(a) Income/(loss) on fair value adjustment in the value of investments	(127.25)	(1,146.98)	9,612.94	(3,764.76)	9,612.94
	Less: Income tax relating to the above	26.47	238.57	(1,999.49)	783.07	(1,999.49)
	(b) Remeasurement of net defined benefit plans	20.09	(7.30)	(31.03)	(1.80)	(29.18)
	Less: Income tax relating to the above	(4.60)	1.67	7.10	0.41	6.68
	<b>Total Other Comprehensive Income</b>	<b>(85.29)</b>	<b>(914.04)</b>	<b>7,589.52</b>	<b>(2,983.08)</b>	<b>7,590.96</b>
11	<b>Total comprehensive income for the period / year (9+10)</b>	<b>144.67</b>	<b>1,440.15</b>	<b>30,285.06</b>	<b>534.03</b>	<b>76.62</b>
12	Paid up equity share capital (Face value of Rs. 10 per equity share)	35,215.48	34,205.88	25,905.88	35,215.48	25,905.88
13	Other equity (excluding revaluation reserve and including money received against share warrants) (refer note 14)	-	-	-	2,89,495.25	2,61,906.07
14	<b>Basic and Diluted EPS (Rs.) (not annualised for interim period)</b>					
	Basic	0.04	0.77	9.33	1.15	(3.09)
	Diluted (Refer note 22)	0.01	0.68	8.85	1.00	(3.09)
15	<b>Items exceeding 10% of total Expenses included in other expense</b>					
	Provision for Impairment of investments	*	*	533.34	722.21	20,954.36
	Legal and Professional Charges	154.92	81.14	221.61	631.98	*
	Repair and Maintenance - others	80.18	*	*	*	*
	Provision for doubtful loans and advances	73.03	*	*	*	*
	Rates and Taxes	126.25	*	*	*	*
	Expected credit loss (including fair value of guarantee)	*	807.48	394.00	1,599.39	*

\* represents nil or respective items do not exceed 10% of total expenses.



	Particulars	As at March 31, 2023	As at March 31, 2022
		<b>Audited</b>	<b>Audited</b>
<b>I.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	146.63	102.34
	(b) Financial Assets		
	(i) Investment in subsidiaries, associates and joint venture	89,279.90	1,04,395.42
	(ii) Investment others	98,263.92	95,817.96
	(iii) Loans	-	180.00
	(iv) Other Financial Assets	783.90	915.24
	(c) Deferred tax assets (net)	10,596.06	11,841.26
	(d) Non current tax asset (net)	43.47	47.22
	(e) Other non-current assets	14,821.60	12,965.99
		<b>2,13,935.48</b>	<b>2,26,265.43</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	34,098.04	32,115.22
	(b) Financial Assets		
	(i) Investments	20,514.83	7,106.28
	(ii) Cash and cash equivalents	1,534.63	7,492.21
	(iii) Bank balance other than (ii) above	235.07	13.35
	(iv) Loans	1,76,947.14	1,30,528.52
	(v) Other Financial Assets	7,893.78	13,538.93
	(c) Other current assets	1,631.51	1,220.86
		<b>2,42,855.00</b>	<b>1,92,015.37</b>
	<b>TOTAL</b>	<b>4,56,790.48</b>	<b>4,18,280.80</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	35,215.48	25,905.88
	(b) Other Equity	2,89,495.25	2,61,906.08
		<b>3,24,710.73</b>	<b>2,87,811.96</b>
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	5,326.83	4,798.95
	(ii) Other financial liabilities	-	-
	(b) Provisions	32.14	46.04
		<b>5,358.97</b>	<b>4,844.99</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	83,871.27	85,959.50
	(ii) Trade and other payables		
	- Total outstanding dues to Micro and Small Enterprises	37.28	47.66
	- Total outstanding dues to others	1,802.33	1,741.16
	(iii) Other financial liabilities	36,788.04	35,559.29
	(b) Income tax liabilities (net)	-	-
	(c) Other current liabilities	1,818.87	1,520.99
	(d) Provisions	2,402.99	795.25
		<b>1,26,720.78</b>	<b>1,25,623.85</b>
	<b>TOTAL</b>	<b>4,56,790.48</b>	<b>4,18,280.80</b>





Note 1(a) Standalone Statement of Cash flows for the year ended on March 31, 2023

Particulars	(Rs in lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
	Audited	Audited
<b>A. Cash Flows from Operating Activities</b>		
Net profit/ (loss) before tax after exceptional items	5,555.57	(2,714.83)
Adjustments for:		
Depreciation and amortisation expense	12.62	17.42
Interest Expense	1,513.97	8,096.03
Interest Income	(1,736.54)	(3,744.18)
Unrealised foreign exchange difference	16.95	6.54
Share of (Profit)/loss from partnership firms (net)	(476.30)	1,067.18
(Profit)/Loss on disposal of property, plant & equipment	-	14.92
(Profit)/Loss on disposal of investment properties (net)	-	(187.98)
Expenses on share based payments to employees	65.40	-
Waiver of interest on loans under one time settlement	-	(6,675.35)
Provision for Doubtful Debts written back	(2,155.03)	(112.01)
Provision for expected credit loss on financial guarantees	1,599.39	788.18
Provision for impairment in value of investment (net of reversal of impairment loss shown under exceptional item for the previous period)	722.21	239.37
Reversal of Impairment loss on financial instruments measured at \ FVTPL (including unwinding of financial instruments measured at amortised cost)	(6,210.72)	-
Fair value loss/(gain) on financial instruments (net)	-	1,191.72
Loss on sale of investment in associates	-	982.88
Liabilities no longer payable written back	-	(73.99)
Provision for expected credit loss on loans and advances	73.03	402.09
Provision for doubtful advances	-	1.02
Inventory written off/(written-back)	-	(123.80)
	(1,019.46)	(324.79)
Adjustments for:		
(Increase)/ Decrease in Inventories	(1,982.82)	(2,295.68)
(Increase)/ Decrease in Trade Receivables	2,155.03	112.01
(Increase)/ Decrease in Non-Current Financial Assets	1,627.69	302.25
(Increase)/ Decrease in Current Financial Assets	6,349.50	10,773.98
(Increase)/ Decrease in Non-Current Assets- Others	(1,855.62)	(47.36)
(Increase)/ Decrease in Current Assets- Other	(410.65)	18.27
Increase/ (Decrease) in Trade Payable	33.85	(296.84)
Increase/ (Decrease) in Other Financial Liabilities	30.00	1,433.00
Increase/ (Decrease) in Other current liabilities	297.88	(132.05)
Increase/ (Decrease) in Provisions	(7.35)	(54.47)
<b>Cash (Used in) / Generated From Operations</b>	<b>5,218.05</b>	<b>9,488.32</b>
Income-tax paid / (refund) (net)	(6.03)	44.10
<b>Net Cash inflow/ (Outflow) From Operating Activities</b>	<b>5,212.01</b>	<b>9,532.42</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	55.71	44.74
Redemption/(investment) of Fixed Deposits	(213.65)	(2.58)
Sale /(Purchase) of Property, Plant and Equipment	(56.92)	3.91
Sale/ (Purchase) of Investments (net)	-	16,395.43
Proceeds from sale of Investment Properties	-	327.50
Withdrawal/ (contribution) to current account of partnership firm	3,749.21	-
Loans and advances to related parties and others (granted) / refunded (net)	(46,280.06)	(56,804.04)
<b>Net Cash Inflow / (Outflow) From Investing Activities</b>	<b>(42,745.72)</b>	<b>(40,035.04)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Paid	(284.74)	(1,594.34)
Proceeds from issue of equity share and convertible share warrants	35,595.05	43,717.84
Proceeds from/(repayment of) short term borrowings (net)	(3,734.16)	(4,136.92)
Share issue expenses	-	(36.27)
<b>Net Cash Inflow/(Outflow) From Financing Activities</b>	<b>31,576.15</b>	<b>37,950.31</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,957.55)</b>	<b>7,447.70</b>
Cash and cash equivalents at the beginning of the year	7,492.20	44.51
<b>Cash and cash equivalents at the end of the year</b>	<b>1,534.65</b>	<b>7,492.21</b>
<b>Components of cash and cash equivalents:</b>		
a. Balances with banks in current accounts	1,534.49	7,492.20
b. Cash on hand	0.14	0.01
	<b>1,534.63</b>	<b>7,492.21</b>





Notes:

2	The above results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on May 30, 2023. The Statutory Auditors have expressed qualified audit opinion on these standalone financial results for the year ended March 31, 2023. Matters referred to in note no. 4, 5 and 9 below have been qualified by the statutory auditor and matters referred to in note no. 7, 10, 13, 16 and 17 have been mentioned as emphasis of matter in their audit report.
3	The above standalone financial results have been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI), and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
4	<p>With respect to guarantees or securities given by the Company:</p> <p>The Company carries out its business ventures through various entities. The funds required for projects in those entities are secured through financial guarantees and securities of the Company. Following are the notes related to guarantees and securities given by the Company where such entities have defaulted:</p> <p>(a) During the previous quarter, one of the lenders has invoked the corporate guarantee given by the company on behalf of a related party. As per the communication the total demand is Rs 76,038.97 lacs which was contested by the company vide its response to the said communication. The lender had confirmed / acknowledged the amount of Rs 23,636 lacs vide its letter dated March 8, 2021. The company in its response to the invocation of the corporate guarantee has made an offer to pay Rs 25,400 lacs as a part of its obligation as a guarantor and which will also be reimbursed by such related party. The management based on the market value of the various other primary securities, corporate guarantee and undertaking by the holding company of the related party entity (for whom guarantee was provided) is confident of recovering the amount (if any) paid to the lenders from the said related party and its holding company and accordingly is of the view that provision is not required to be made.</p> <p>(b) Financial guarantees and securities given by the Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs. 24,547.62 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. Valuation report of such primary / underlying assets provided as securities by the lending companies has not been obtained from the independent valuer. In view of the management, value of such primary / underlying assets provided as securities is greater than the outstanding loans and hence additional liability will not devolve on the Company inspite of the guarantee and securities provided by the Company. In the above amounts, interest and other charges are not included as the same cannot be quantified as the respective borrower/s had disputed the same and also since settlement proposal is in discussion by the respective borrowers with their lenders.</p> <p>Further, out of Rs. 24,547.62 lacs above, during the current quarter the one of the subsidiary companies (i.e. borrower), has entered in to one time settlement with lender equivalent to loans of Rs. 17,736.15 lakhs (excluding interest, penal interest and other charges). The Company has requested for extension of time for the installment due on 31st March 2023 from the lender which has been in principle agreed by the lender subject to execution of necessary addendum settlement agreement which is in the process of being executed, (also refer note 10).</p> <p>(c) Further, financial guarantees and securities given by the Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs. 35,240.5 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. As per valuation reports obtained from independent valuer, the value of primary / underlying assets provided as securities by the lending companies is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Company. In the above amounts, interest and other charges are not included as the same cannot be quantified as the respective borrower/s had disputed the same and also since settlement proposal is in discussion by the respective borrowers with their lenders. Considering the restrictive covenants, value of underlying securities being greater than the outstanding loans, the fair value of the guarantee is NIL.</p> <p>Further, out of Rs. 35,240.5 lacs above, subsequent to the quarter end, one of the entities (i.e. borrower), has entered in to one time settlement with lender equivalent to loans of Rs. 32,000 lakhs (excluding interest, penal interest and other charges). Post payment of settlement amounts, the company's guarantee obligation of such loans would cease.</p> <p>During the earlier quarter of the current year, the Company's personnel have received summons from Securities Exchange Board of India (SEBI) regarding guarantees/securities given in the past for and on behalf of a related entity as that entity had defaulted in its repayment obligation. The company has duly replied to the said summons.</p> <p>With reference to above, during the previous quarter, the Securities Exchange Board of India (SEBI) has issued administrative warning (i.e. impugned order) to the Independent Directors with respect to accounting and disclosure of financial guarantees based on the investigation report carried out by SEBI. This report was specifically with respect to matters covered in note 4(a) of the statement and it also extends to other guarantees as well. The said report quantifies the expected credit loss / additional provision with respect to financial guarantees as mentioned in note 4(a) above is Rs. 59,130.18 lakhs to be made by the company in accordance with Ind AS 109 'Financial Instrument'. The company has disputed the said report / order and in its opinion, no provision is required to be made based on underlying assets of the various entities and ongoing discussion for settlement of the loans by the respective entities with their lenders. The Company has filed an appeal and application seeking stay against the said Impugned order before the Securities Appellant Tribunal (SAT) seeking reliefs including (a) setting aside the said Impugned Order and (b) To pass an order staying the effect, implementation and operations of the Impugned Order. During the quarter, the said appeal was heard and SAT has ruled against the Company. The Company will explore further legal remedies including filing an appeal against the said order before the Hon'ble Supreme Court.</p> <p>Further, during the previous quarter, the Company has filed settlement application with SEBI in relation to the above matters where the Company has offered monetary and non-monetary settlement terms.</p> <p>Furthermore, during the current quarter, SEBI has issued a show cause notice to the Company and its directors for non-compliance of various provisions related to Securities Contracts (Regulation) Act, 1956 and non-compliance of accounting standard / Indian accounting standards related to guarantee and securities given by the Company to various entities. The management of the company is of the view that there is no non-compliance / non-disclosure and has duly replied to the said show cause notice (subsequent to the quarter/ year end) and awaits further communication from SEBI. The Company and its erstwhile and current Directors/KMPs are in receipt of letters for online hearing on June 21, 2023 against show cause notice.</p> <p>In respect of above matters, the statutory auditors have expressed qualified audit opinion on these standalone financial results for the year ended March 31, 2023.</p>
5	<p>The Company has investment in certain subsidiaries, associates, joint venture and other parties aggregating to Rs. 42,984.38 lacs and loans and advances / deposits outstanding aggregating to Rs. 1,63,711.06 lacs as at March 31, 2023. While such entities have incurred significant losses and / or have negative net worth as at March 31, 2023 and/or have pending legal disputes with respect to the underlying projects / properties of respective entities, the underlying projects in such entities are in the early stages of real estate development and are expected to achieve adequate profitability on substantial completion and / or have current market values of certain properties which are in excess of the carrying values. The Company considers its investments and loans in such entities as strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities and for expected credit losses in respect of loans and advances given to such entities, which are considered good and fully recoverable.</p> <p>In respect of above matter, the statutory auditors have expressed qualified audit opinion on these standalone financial results for the year ended March 31, 2023.</p>



6	<p>Note on Investment of the Company in Marine Drive Hospitality and Realty Private Limited (MDHRPL):</p> <p>a) With respect to 24,70,600 numbers of Redeemable Optionally Convertible Cumulative Preference Shares ('ROCCPS') Series A, 2,17,630 numbers of ROCCPS Series C and 74,443 numbers of Cumulative Redeemable Convertible Preference Shares ('CRCPS') of MDHRPL held by the Company aggregating to Rs. 82,847.41 lacs, management of the Company had during the earlier quarter decided not to opt for conversion of aforesaid shares.</p> <p>b) Pursuant to resolution passed in the annual general meeting of the Company and the consent of the board of director of MDHRPL, 92,600 numbers of Compulsory Convertible Cumulative Preference Shares ('CCCPs') - Series C of MDHRPL aggregating to Rs. 13,334.06 lacs had converted into 92,600 ROCCPS during the earlier quarter. The Company had decided not to opt for conversion of aforesaid shares.</p> <p>c) The Company has not nominated any director on the Board of MDHRPL.</p> <p>Considering the above facts including management intention to opt for redemption of CRCPS and ROCCPS, the Company does not have control over MDHRPL and accordingly, MDHRPL is neither considered a subsidiary nor an associate of the Company. The Company holds 15.53% of the paid-up equity share capital of MDHRPL.</p>
7	<p>The Company has recognized net deferred tax asset on changes in fair value of financial instruments aggregating to Rs. 9,214.48 lacs in the earlier years. In the opinion of the management, there is a reasonable certainty as regards utilization / reversal (consequent to potential increase in fair value in future) of the said deferred tax assets. The Company has not recognised deferred tax assets on unabsorbed depreciation and carry forward losses on prudence basis. No provision for tax is required to be made in absence of taxable profit during the quarter and year ended March 31, 2023. (also refer note 12(b)). The statutory auditors have drawn attention of above matter in their audit report on the standalone financial results for the year ended March 31, 2023.</p>
8	<p>The Company has various debt obligations (excluding corporate guarantee) aggregating to Rs. 99,389.12 lacs within next 12 months. These obligations are higher than the current assets which are liquid in nature. This could result in significant uncertainty on its ability to meet these debt obligations and continue as going concern. The management is addressing this issue robustly for which the Company has entered into one time settlement with various lenders, raised funds through issued convertible warrants, entered in development agreement / joint ventures to revive various projects which have significantly high growth potential. The management is confident and has made plans to manage the liquidity position by restructuring the existing terms of borrowings, monetization of non-core assets, mobilization of additional funds and conversion of outstanding warrants into equity shares. Accordingly, the standalone financial results are prepared on a going concern basis. The statutory auditors have drawn attention of above matter in their audit report on the financial results for the year ended March 31, 2023 in line with the earlier limited review reports / Independent audit reports (also refer note 14).</p>
9	<p>The Company has not provided for interest on loan from one of the financial institutions amounting to Rs. 817.55 lacs and Rs. 3,270.21 lacs pertaining to quarter and year ended March 31, 2023, respectively considering the ongoing discussions / negotiations with lenders as regards to one time settlement. These amounts excludes interest related to one-of the lenders with whom settlement has been agreed upon during the quarter.</p> <p>In respect of above matter, the statutory auditors have expressed qualified audit opinion on these standalone financial results for the year ended March 31, 2023.</p>
10	<p>The Company has entered into one-time settlement with one of the financial institutions subject to the compliance with the payment terms. As per the said settlement the Company is required to pay Rs. 18,560 lakhs (plus interest as per agreed rate) upto 31st January 2025 as per repayment schedule specified therein. Additionally, the write-back / difference (if any) between the original loan amount plus accrued interest upto the date of settlement and the revised amount payable would be accounted in the period in which the condition of settlement arrangement are met. The Company has requested for extension of time for the installment due on 31st March 2023 from the lender which has been in principle agreed by the lender subject to execution of necessary addendum settlement agreement which is in the process of being executed. The statutory auditors have drawn attention of above matter in their audit report on the standalone financial results for the year ended March 31, 2023.</p>
11	<p>During the earlier quarter of the current year, the Company has repaid the entire outstanding principal amount to one of its lenders under restructuring &amp; settlement proposal and the unpaid interest amount has converted into funded interest bearing term loan which will be repaid over 24 months (including moratorium period of 6 months).</p>
12	<p>During the previous year,</p> <p>(a) the Company had completed One Time Settlement (OTS) with two lenders. Consequently, interest waived by the lenders of Rs. 6,675.35 was disclosed under exceptional item.</p> <p>(b) Reversal of impairment loss of Rs. 20,714.98 lacs (net of unaccounted gain on CRCPS valued at amortized cost of Rs. 19,119.61 lacs) with respect to the investment in MDHRPL. Additionally, with respect to instruments where the Company had opted for FVTOCI, the reversal of impairment loss had been credited to other comprehensive income. The reversal of impairment loss was mainly on account of unlocking of development potential of the underlying property held by the said entity and its subsidiaries. The corresponding deferred tax assets created on the impairment loss provided in the earlier years was also reversed amounting to Rs. 4,308.72 lacs.</p>
13	<p>During the previous year, the Company, firms in which the Company is a partner and KMP's premises were searched by the Income Tax department. During the current year, the Central Bureau of Investigation (CBI) has carried out searches of one of the wholly owned subsidiaries and certain documents (including back-up of the accounting software) have been taken by the department and CBI. The WOS has submitted all information as requested by the CBI from time to time and as per the WOS's understanding there is no pending information to be provided to the CBI as on March 31, 2023. However, the Company is confident that it has not indulged in any activity that may make it liable for any liability in this regard. The statutory auditors have drawn attention of above matter in their audit report on the standalone financial results for the year ended March 31, 2023.</p>
14	<p>During the previous year, the Company had allotted 25,75,00,000 warrants convertible into equity shares on preferential basis upon payment of 25% of total issue price and raised Rs. 38,604.56 lacs. One of the objectives of raising warrants was to reduce debt and meet funding requirements of the Company, its subsidiaries, JVs and partnership firms in which the Company is a partner. The said warrants entitle the allottees to apply for and be allotted equal number of equity shares for each warrant held on payment of balance 75% of the issue price amounting to Rs. 115,813.69 lacs within 18 months from the date of allotment of the warrants.</p> <p>Some of the allottees exercised their conversion option and had converted 1,58,00,000 warrants into equity shares during the previous year upon payment of balance 75% of the issue price on such warrants aggregating to Rs. 5,113.28 lacs. The Company had also received the listing approval from recognised stock exchanges for the listing of 1,58,00,000 shares during the previous year.</p> <p>Further, during the year ended March 31, 2023, 9,30,96,000 warrants have been converted into equity shares on exercise of conversion option by promoter allottees and investors upon payment of 75% of issue price of such warrants aggregating to Rs. 35,574.65 lacs. The Company had also received the listing approval from recognised stock exchanges for the listing of 8,42,96,000 shares during the year. For the remaining 88,00,000 warrants converted into equity shares, the Company has filed an application for listing approval with the recognised stock exchange for issue of such shares and the approval for the same is received subsequent to the year end.</p> <p>Additionally, Rs 20.38 lacs has been received as advance towards balance share warrants which are to be converted.</p>





15	Based on the guiding principles given in Ind AS 108 "Operating Segments" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, the Company is mainly engaged in the business of real estate development viz. construction of residential / commercial properties in India. As the Company's business falls within a single primary business segment, the disclosure requirements of Ind AS 108 in this regard are not applicable.
16	Realizable value of security deposits aggregating to Rs 2,257.95, investments and loans & advances in certain subsidiary companies/ entities aggregating to Rs 1,94,262.07 lacs and inventory of construction work in progress of Rs. 34,098.04 lacs are based on managements estimates, various approvals obtained / pending, stage of completion, projections of expected cost and revenue, realization of construction work in progress and market value of the underlying developments rights. These estimates are dynamic in nature and are dependent upon various factors such as eligibility of the tenants, changes in the saleable area, acquisition of new Floor Space Index (FSI) and other factors. Changes in these estimates can have significant impact on the financial results of the company for the quarter and year ended and also future periods, however quantification of the impact due to change in said estimates are not practical. The statutory auditors have drawn attention of above matter in their audit report on the standalone financial results for the year ended March 31, 2023.
17	<p>Following are the major litigation updates of the Company:</p> <p>a. As regards certain allegations made by the Enforcement Directorate against the Company and its two Key Managerial Persons (KMPs), in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice. The Company and its two KMPs have been acquitted by the Hon'ble CBI Special Court and the Enforcement Directorate has filed an appeal against the said order. There is no new development in this matter from the quarter ended December 31, 2022.</p> <p>b. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Company's assets aggregating to Rs. 711.48 lacs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs. 68.93 lacs, two flats having written down value of Rs. 85.72 lacs as on March 31, 2023 and investment in Redeemable Optionally Convertible Cumulative Preference Shares - Series A and Series C made by the Company aggregating to Rs. 556.83 lacs in earlier years. The impact, if any, of its outcome is currently unascertainable. There is no new development in this matter from the quarter ended December 31, 2022.</p> <p>c. The Company is a party to various legal proceedings in normal course of business (including cases pending before the Hon'ble National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016) and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow.</p> <p>The Company does not expect any financial liability in above matters.</p> <p>The statutory auditors have drawn attention of above matter in their audit report on the standalone financial results for the year ended March 31, 2023</p>
18	<p>The Company is holding 75,600 equity shares (50.40%) of the face value of Rs. 100/- each in one of its subsidiaries 'Royal Netra Constructions Private Limited (RNCPL).</p> <p>The board has approved the proposal for amalgamation of Platinum Corp Affordable Builders Private Limited ("Transferor Company") and Royal Netra Constructions Private Limited ("Transferee Company") and their respective shareholders ("Scheme") under composite scheme of amalgamation and arrangement under sections 230 to 232, section 66 and other applicable provisions of the Companies Act, 2013, subject to the approval of National Company Law Tribunal ("NCLT"). No accounting treatment has been given in the books pending the said approval.</p>
19	During the earlier quarter of the current year, the Company has pledged its investment in Real Gem Buildtech Private Limited (wholly-owned subsidiary company) as one of the securities against the loan sanctioned (partly disbursed) to the said wholly-owned subsidiary company by HDFC Limited.
20	During the previous quarter, the Company has acquired remaining 9% stake (i.e. 12.60 lakhs equity shares) in DB Man Realty Limited and 26% stake (i.e. 0.03 lakhs equity shares) in Spacecon Realty Private Limited as a result these entities have become wholly owned subsidiaries of the Company.
21	Subsequent to the quarter / year end, the Company has executed securities purchase agreement and deed of transfer of partnership interest for proposed disinvestment of its entire holding / interest in two joint ventures of the Company i.e. Prestige (BKC) Realtors Pvt Ltd and Turf Estate Joint Venture LLP for a consideration of Rs. 97,870 lacs and Rs. 19,779 lacs, respectively. This transaction is subject to completion of condition precedent to the said agreement / deed of partnership and accordingly accounting treatment for divestment will be given on completion of the transaction.
22	Share warrants and ESOPs have been considered for the purpose of dilutive earning per share (EPS) as applicable. With respect to year ended March 31, 2022, impact of these items are anti dilutive.
23	In accordance with Employee Stock Option Plan scheme, the Company has granted 32.25 lac equity shares to its employees (including the employees of its subsidiaries, associates and joint ventures) at an exercise price of Rs. 41.45 per equity share during the current year. Accordingly, the same has been accounted as per 'Ind AS 102 - Share Based Payment'.
24	The Company has recognized VAT refund of Rs. 358.04 lacs for the year ended March 31, 2023 as other operating income under revenue from operation.
25	Interest expenses of Rs. 79.59 lacs was accounted in the previous quarter under finance cost has been reversed in the current quarter considering the payment terms has been extended with the party through revised MOU.
26	<p>Expected credit loss of Rs. 322.35 lacs was accounted in the previous quarter under other expenses has been reversed in the current quarter on account of realization of the advances given.</p> <p>Further, during the year, The Company has incurred one time defect liability expenses of Rs. 90 lacs relating to one of the project developed in the past pursuant to settlement with society and legal expenses of Rs. 100 lacs related to ongoing litigation.</p>
27	<p>Other income includes:</p> <p>(a) Rs. 510.84 lacs, 1,979.49 lacs &amp; Rs. 6,210.72 lacs for the quarter ended March 31, 2023, previous quarter ended December 31, 2022 and year ended March 31, 2023, respectively, on unwinding of financial instruments accounted on amortised cost basis.</p> <p>(b) Share of profit from Investment in Partnership Firms &amp; LLP (net) of Rs. 932.52 lacs and Rs. 478.30 lacs for the quarter and year ended March 31, 2023.</p> <p>(c) for the previous quarter, it also includes Rs. 2,170 lacs on account of reversal of provision for doubtful debts on account of realization of the receivables.</p>
28	The figures of the quarter ended March 31, 2023 and March 31, 2022 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto nine months ended December 31, 2022 and December 31, 2021 respectively which were subjected to limited review.
29	Figures for the previous periods / year are re-classified / re-arranged / re-grouped wherever necessary to conform current period's presentation.

Dated:- May 30, 2023  
Place:- Mumbai



For D B Realty Limited

Shahid Balwa  
Vice Chairman & Managing Director  
DIN 00016839



Independent Auditor's Report on the standalone financial results of D B Realty Limited pursuant to the Regulation 33 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 (as amended)

To  
The Board of Directors of  
D B Realty Limited

### Qualified Opinion

We have audited the accompanying unaudited standalone financial results ("the Statement") of **D B Realty Limited** ("the Company") for the year ended March 31, 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The statement includes the results for the quarter ended March 31, 2023, being the derived figures between the audited figures in respect of the full financial year ended March 31, 2023, and the unaudited published year-to-date figures up to December 31, 2022, being the date of the end of the third quarter of the current financial year, which were subject to limited review.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the "Basis of qualified opinion" section of our report, the aforesaid statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit after tax and other comprehensive income and other financial information for the year ended 31st March 2023.

### Basis for Qualified Opinion

1. Measurement of financial guarantees at fair value under 'Ind AS 109 - Financial Instruments' is not done (also refer note 4 to the statement):
  - a. During the previous quarter, one of the lenders has invoked the corporate guarantee given by the company on behalf of a related party. As per the communication the total demand is Rs 76,038.97 lacs which has been contested by the company vide its response to the said communication. As explained to us, the lender had confirmed / acknowledged the amount of Rs 23,636 lacs vide its letter dated March 8, 2021. The company, in its response to the invocation of the corporate guarantee, has made an offer to pay Rs 25,400 lacs as a part of its obligation as a guarantor and which will also be reimbursed by such related party.

The management based on the market value of the various other primary securities, corporate guarantee and undertaking by the holding company of the related party entity (for whom guarantee was provided) is confident of recovering the amount (if any) paid to the lenders



from the said related party and its holding company and accordingly is of the view that provision is not required to be made.

- b. Financial guarantees and securities given by the Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs 24,547.62 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. Valuation report of such primary / underlying assets provided as securities by the borrowing companies has not been obtained from an independent valuer. In view of the management, value of such primary / underlying assets provided as securities is greater than the outstanding loans and hence additional liability will not devolve on the Company.

Further, out of Rs. 24,547.62 lacs above, during the current quarter, one of the subsidiary companies (i.e. borrower), has entered into one time settlement with lender equivalent to loans of Rs. 17,736.15 lakhs (excluding interest, penal interest and other charges). The Company has requested for extension of time for the installment due on 31st March 2023 from the lender which has been in principle agreed by the lender subject to execution of necessary addendum settlement agreement which is in the process of being executed.

- c. Further, financial guarantees and securities given by the Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs. 35,240.50 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. As per valuation reports obtained from independent valuer, the value of primary / underlying assets provided as securities by the borrowing companies is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Company.

Further, out of Rs. 35,240.50 lacs above, subsequent to the quarter end, one of the entities (i.e. borrower), has entered into one time settlement with lender equivalent to loans of Rs. 32,000 lakhs (excluding interest, penal interest and other charges). Post payment of settlement amounts, the company's guarantee obligation would cease.

With reference to above, during the previous quarter, Securities Exchange Board of India (SEBI) has issued administrative warning (i.e. impugned order) to the Independent Directors with respect to accounting and disclosure of financial guarantees based on the investigation report carried out by SEBI. This report was specifically with respect to matters covered in note 4(a) of the Statement and it also extends to other guarantees as well. The said report quantifies the expected credit loss / additional provision with respect to financial guarantees as mentioned in note 4(a) of Statement of Rs. 59,130.18 lakhs to be made by the company in accordance with Ind AS 109 – Financial Instruments till 31<sup>st</sup> March 2021. The company has disputed the said report / order and in its opinion, no provision is required to be made based on underlying assets of the various entities and ongoing discussion for settlement of the loans by the respective entities with their lenders. The Company has filed an appeal and application seeking stay against the said impugned order before the Securities Appellate Tribunal (SAT) seeking reliefs including (a) Setting aside the said impugned order and (b) To pass an order staying the effect, implementation and operations of the impugned





order. During the quarter, the said appeal was heard and SAT has ruled against the Company. The Company is exploring further legal remedies and intends to file an appeal against the said order.

Further, during the previous quarter, the Company has filed settlement application with SEBI in relation to the above matters where the Company has offered monetary and non-monetary settlement terms.

Furthermore, during the current quarter, the SEBI has issued a show cause notice to the Company and its directors for non-compliance of various provisions related to Securities Contracts (Regulation) Act, 1956 and non-compliance of accounting standard / Indian accounting standards related to guarantee and securities given by the Company to various entities. The Company has duly replied to the said show cause notice.

Considering the above, management view and ongoing dispute, the potential impact on the profit (excluding other comprehensive income) for the quarter and year ended March 31, 2023, and consequently on the total equity as on March 31, 2023, cannot be ascertained and the said matter has already been covered in basis of qualified opinion in para 1(a) above.

2. As stated in Note 5 to the Statement and considering the non-evaluation of impairment provision in accordance with Ind AS 109 – Financial Instruments and Ind AS 36 – Impairment of Assets, towards expected credit losses in respect of the loans and advances / deposits totaling to Rs. 1,63,711.06 lacs (disclosed under current financial asset considering repayable on demand) and towards diminution in the value on the Company's investments totaling to Rs. 42,984.38 lacs, respectively, as on March 31, 2023, that were invested in / advanced to certain subsidiaries and other parties which have incurred significant losses and / or have negative net worth as at March 31, 2023 and / or have pending legal disputes with respect to the underlying projects / properties of respective entities, we are unable to comment on the consequential impact of non-provision of impairment on the profit (excluding other comprehensive income) and classification of the loans and advance under current financial asset for the quarter and year ended March 31, 2023 and consequently on the total equity as on March 31, 2023.
3. Attention is invited to Note 9 to the statement, which mentions that consequent to the ongoing negotiations as regards one-time settlement, the Company has not provided for interest on loan from financial institutions (excluding penal interest, if any) amounting to Rs. 817.55 lacs and Rs. 3,270.21. lacs pertaining to quarter and year ended March 31, 2023, respectively [cumulative unprovided interest of Rs 4,914.39 lacs till March 31, 2023] (these amounts exclude interest related to one-of the lender with whom settlement has been agreed upon during the quarter). Had this provision for interest on loan been made, profit (excluding other comprehensive income) for the quarter and year end would have been lower by the said amount and the balance in other equity would have been lower by cumulative unprovided interest of Rs. 4,914.39 lacs till March 31, 2023. The above is not in accordance with Ind AS 23 Borrowing Cost.

The cumulative impact of the above qualifications on the Statement has not been ascertained by the management and hence cannot be quantified.

Qualifications listed in para 1(a), 1(b) and 2 have been reported by us in limited review report since quarter and half year ended September 30, 2021, and in the audit report for the year ended March 31, 2022. Further, with respect to qualification mentioned in para 3, the same have been reported by us in





limited review report since quarter and nine months ended December 31, 2021, and in audit report for the year ended March 31, 2022. Furthermore, with respect to qualifications mentioned in para 1(c), the same have been reported by us in limited review report since quarter and nine months ended December 31, 2022.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement 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 Statement 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the auditor of partnership firms, in terms of their reports referred in paragraph 1 of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our qualified opinion on the Statement.

#### **Material uncertainty related to going concern**

The Company has various debt obligations (excluding corporate guarantee) aggregating to Rs. 99,389.12 lacs within the next 12 months. These obligations are higher than the current assets which are liquid in nature. This could result in significant uncertainty on its ability to meet these debt obligations and continue as going concern. The management is addressing this issue robustly, the Company has entered / negotiating one-time settlement with various lenders, raised funds through issued convertible warrants, entered in development agreement / joint ventures to revive various projects which have significantly high growth potential. The management is confident that they will be able to manage the liquidity position by restructuring the existing terms of borrowings, monetization of non-core assets and mobilization of additional funds. Accordingly, the unaudited standalone financial results are prepared on a going concern basis (Refer Note 8 of the Statement).

Our opinion is not modified in respect of above matter. In respect of the above matter, attention was also drawn by us in our earlier limited review reports on the unaudited standalone financial results and audit report of previous financial year.

#### **Emphasis of matters**

1. With respect to security deposits aggregating to Rs 2,257.95 lacs, investments and loans & advances in certain subsidiary companies / entities aggregating to Rs 1,94,262.07 lacs and inventory of construction work in progress of Rs 34,098.04 lacs, we have relied upon management estimates and explanations as regards, various approvals obtained / pending, stage of completion, projections of expected cost and revenue, realization of construction work in progress and market value of the underlying developments rights. These estimates are dynamic in nature and are dependent upon various factors such as eligibility of the tenants, changes in the saleable area, acquisition of new Floor Space Index (FSI) and other factors. Changes in these estimates can have a significant impact on the financial results of the company for the quarter and year ended March 31, 2023, and future periods, however quantification of the impact due to change in said estimates is not practical. Being a technical matter, these management estimates have been relied upon by us (refer Note 16 to the statement).



2. As stated in note 10 of the Statement, during the current quarter, the Company has entered into one-time settlement with one of the financial institutions subject to the compliance with the payment terms. As per the said settlement the Company is required to pay Rs. 18,560 lacs (plus interest as per agreed rate) upto 31st January 2025 as per repayment schedule specified therein. Additionally, the write-back / difference (if any) between the original loan amount plus accrued interest upto the date of settlement and the revised amount payable would be accounted in the period in which the condition of settlement arrangement are met. The Company has requested for extension of time for the installment due on 31st March 2023 from the lender which has been in principle agreed by the lender subject to execution of necessary addendum settlement agreement which is in the process of being executed.
3. The Company has recognized net deferred tax assets on changes in fair value of financial instruments aggregating to Rs 9,214.48 lacs in the earlier years. In the opinion of the management, there is a reasonable certainty as regards utilization/reversal (consequent to potential increase in fair value in future) of the said deferred tax assets. We have relied upon the management explanation as regards the same (refer Note 7 of Statement).
4. With respect to various legal matters our comments are as under:
  - a. As regards certain allegations made by the Enforcement Directorate against the Company and its two Key Managerial Persons, in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage (refer Note 17(a) to the Statement).
  - b. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Company's assets aggregating to Rs. 711.48 lacs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs. 68.93 lacs, two flats having written down value of Rs. 85.72 lacs as on March 31, 2023 and Investment in Redeemable Optionally Convertible Cumulative Preference Shares – Series A and Series C made by the Company aggregating to Rs. 556.83 lacs in earlier years. The impact, if any, of its outcome is currently unascertainable (refer Note 17(b) to the Statement).
  - c. Following are the Emphasis of Matters in their respective financial results for the year ended March 31, 2023, of the partnership firms (where Company is a partner), which have not been audited by us:
    - i. As regards the recoverability of Trade Receivables of Rs. 4,930.33 lacs as on March 31, 2023 which are attached under the Prevention of Money Laundering Act, 2002 and non-provision for expected credit loss based on the management assessment as regards the outcome of the said matter.
    - ii. Allegations made by the Central Bureau of Investigation (CBI) relating to the 2G spectrum case and regarding attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002 and the undertaking given by the Company that it will bear the loss if there is any non / short realization of the attached asset.





- These matters are sub-judice and the impact, if any, of its outcome is currently unascertainable.
- d. In addition to the above, the Company is a party to various legal proceedings in normal course of business (including cases pending before the Hon'ble National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016) and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow. We have relied upon the representation from the in-house legal team as regards the same (refer Note 17(c) to the Statement).
- e. As stated in Note 13 to the Statement, during the previous year, Income tax authority carried out search operation at premises of the Company, firms in which Company is partner and KMP's and during the earlier quarters, Central Bureau of Investigation (CBI) has carried out searches on the premises of one of its wholly owned subsidiaries and KMP of the Company. Certain documents [including back-up of accounting software] were taken by the department and CBI. In view of ongoing proceedings, the company is not in a position to ascertain the possible liability, if any.

Emphasis of matters made by us in the above paragraph 4(c) and their impact on the Statement have not been mentioned in notes to the statement. In respect of matter covered in above para (except para 1 & 2), attention was drawn by us in limited review report since quarter and six months ended September 30, 2021. Further, with respect to matter covered in above para 1 and 2, attention was also drawn by us in limited review report since quarter and nine months ended December 31, 2021 and limited review report since quarter and nine months ended December 31, 2022, respectively. Our opinion is not modified in respect of the above matters.

#### **Management's Responsibility for the statement**

This statement has been prepared on the basis of the annual standalone financial statements.

The Company's Board of Directors are responsible for the preparation of the statement that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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





### **Auditor's Responsibility for the Audit of the Statement**

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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 Statement, 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 the purpose of expressing our opinion through separate report on standalone financial statement on whether the company has adequate internal financial controls with reference to financial statements in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our opinion 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 Statement, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Statement of the Company to express an opinion on the Statement.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be



influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.

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

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

#### Other matters

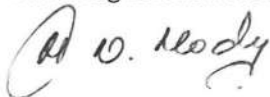
1. Share of (loss) (net) from investment in three partnership firms, three limited liability partnerships and four association of person aggregating to Rs. (75.87) lacs and Rs. (243.75) lacs for the quarter and year ended March 31, 2023, included in the Statement, are based on the audited financial statement of such entities. These financial statements have been audited by their respective independent auditors of these entities, whose reports have been furnished to us by the Management and our audit report on the Statement is based solely on such audit reports of the other auditors.
2. During the earlier quarter, the Board has approved the proposal for amalgamation of Platinumcorp Affordable Builders Private Limited ("Transferor Company") with one of its subsidiaries, Royal Netra Constructions Private Limited ("Transferee Company") and their respective shareholders under the scheme of amalgamation. The aforesaid scheme is subject to the approval of NCLT (refer Note 18 to the statement).

Our report on the Statement is not modified in respect of the above matters.

For **N. A. Shah Associates LLP**

Chartered Accountants

Firm Registration No.: 116560W / W100149



**Milan Mody**

Partner

Membership No.: 103286

UDIN: 23103286BGPZNH4231



Place: Mumbai

Date: 30<sup>th</sup> May 2023



# Annexure I

## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results- Standalone

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023  
(See Regulations 33 of SEBI (LODR) (Amendment) Regulations, 2016)

I		Rs in Lakh	
Sr. No.	Particulars	Audited Figures (as reported before adjusting qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover/ Total Income	10,934.01	In the opinion of the management not ascertainable for the reasons stated below in each point.
2	Total Expenditure	5,378.44	
3	Net Profit/ (Loss)	3,517.11	
4	Earnings per Share (Basic)	1.15	
5	Earnings per Share (Diluted)	1.00	
6	Total Assets	4,56,790.46	
7	Total Liabilities	1,32,079.73	
8	Net Worth	3,24,710.73	
9	Any other financial items	-	
II	<b>Audit Qualification</b>		
1	<b>a. Details of Audit Qualification:</b> Measurement of financial guarantees at fair value under 'Ind AS 109 - Financial Instruments' is not done (note 4 to the statement):  a. During the previous quarter, one of the lenders has invoked the corporate guarantee given by the company on behalf of a related party. As per the communication the total demand is Rs 76,038.97 lacs which has been contested by the company vide its response to the said communication. As explained to us, the lender had confirmed / acknowledged the amount of Rs 23,636 lacs vide its letter dated March 8, 2021. The company, in its response to the invocation of the corporate guarantee, has made an offer to pay Rs 25,400 lacs as a part of its obligation as a guarantor and which will also be reimbursed by such related party.  The management based on the market value of the various other primary securities, corporate guarantee and undertaking by the holding company of the related party entity (for whom guarantee was provided) is confident of recovering the amount (if any) paid to the lenders from the said related party and its holding company and accordingly is of the view that provision is not required to be made.  b. Financial guarantees and securities given by the Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs 24,547.62 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. Valuation report of such primary / underlying assets provided as securities by the borrowing companies has not been obtained from an independent valuer. In view of the management, value of such primary / underlying assets provided as securities is greater than the outstanding loans and hence additional liability will not devolve on the Company. Further, out of Rs. 24,547.62 lacs above, during the current quarter, one of the subsidiary		





companies (i.e. borrower), has entered into one time settlement with lender equivalent to loans of Rs. 17,736.15 lakhs (excluding interest, penal interest and other charges). The Company has requested for extension of time for the installment due on 31st March 2023 from the lender which has been in principle agreed by the lender subject to execution of necessary addendum settlement agreement which is in the process of being executed.

- c. Further, financial guarantees and securities given by the Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs. 35,240.50 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. As per valuation reports obtained from independent valuer, the value of primary / underlying assets provided as securities by the borrowing companies is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Company.

Further, out of Rs. 35,240.50 lacs above, subsequent to the quarter end, one of the entities (i.e. borrower), has entered into one time settlement with lender equivalent to loans of Rs. 32,000 lakhs (excluding interest, penal interest and other charges). Post payment of settlement amounts, the company's guarantee obligation would cease.

With reference to above, during the previous quarter, Securities Exchange Board of India (SEBI) has issued administrative warning (i.e. impugned order) to the Independent Directors with respect to accounting and disclosure of financial guarantees based on the investigation report carried out by SEBI. This report was specifically with respect to matters covered in note 4(a) of the Statement and it also extends to other guarantees as well. The said report quantifies the expected credit loss / additional provision with respect to financial guarantees as mentioned in note 4(a) of Statement of Rs. 59,130.18 lakhs to be made by the company in accordance with Ind AS 109 - Financial Instruments till 31st March 2021. The company has disputed the said report / order and in its opinion, no provision is required to be made based on underlying assets of the various entities and ongoing discussion for settlement of the loans by the respective entities with their lenders. The Company has filed an appeal and application seeking stay against the said impugned order before the Securities Appellate Tribunal (SAT) seeking reliefs including (a) Setting aside the said impugned order and (b) To pass an order staying the effect, implementation and operations of the impugned order. During the quarter, the said appeal was heard and SAT has ruled against the Company. The Company is exploring further legal remedies and intends to file an appeal against the said order.

Further, during the previous quarter, the Company has filed settlement application with SEBI in relation to the above matters where the Company has offered monetary and non-monetary settlement terms.

Furthermore, during the current quarter, the SEBI has issued a show cause notice to the Company and its directors for non-compliance of various provisions related to Securities Contracts (Regulation) Act, 1956 and non-compliance of accounting standard / Indian accounting standards related to guarantee and securities given by the Company to various entities. The Company has duly replied to the said show cause notice.

Considering the above, management view and ongoing dispute, the potential impact on the profit (excluding other comprehensive income) for the quarter and year ended March 31, 2023, and consequently on the total equity as on March 31, 2023, cannot be ascertained and the said matter has already been covered in basis of qualified opinion in para 1(a) above.

- b. Type of Audit Qualification: Qualified Opinion  
c. Frequency of Qualification: Repetitive, since FY 2016-17  
d. For Audit Qualification where impact is quantified by the auditor, Management's views: Impact is not quantified by the auditor.  
e. For Audit Qualification where impact is not quantified by the auditor:





**(i) Management's estimation on the impact of audit qualification:**

With regard to point no. a as above, the management based on the market value of the various other primary securities, corporate guarantee and undertaking by the holding company of the related party entity (for whom guarantee was provided) is confident of recovering the amount (if any) paid to the lenders from the said related party and its holding company and accordingly is of the view that provision is not required to be made.

With regard to point no. b, the management is of the view that the value of such primary / underlying assets provided as securities is greater than the outstanding loans and hence additional liability will not devolve on the Group inspite of the guarantee and securities provided by the Group. In the above amounts, interest and other charges are not included as the same cannot be quantified as the respective borrower/s had disputed the same and also since settlement proposal is in discussion by the respective borrowers with their lenders.

With regard to point no. c, the value of primary / underlying assets provided as securities by the lending companies is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Group. In the above amounts, interest and other charges are not included as the same cannot be quantified as the respective borrower/s had disputed the same and also since settlement proposal is in discussion by the respective borrowers with their lenders. Considering the restrictive covenants, value of underlying securities being greater than the outstanding loans, the fair value of the guarantee is Nil.

**(ii) If management is unable to estimate the impact, reasons for the same:** Not Applicable

**(iii) Auditors' Comments on (i) or (ii) above:**

Included in the Auditors' Report

2

**a. Details of Audit Qualification:**

As stated in Note 5 to the Statement regarding non-evaluation of impairment provision in accordance with Ind AS 109 - Financial Instruments and Ind AS 36 - Impairment of Assets, towards expected credit losses in respect of the loans and advances / deposits totaling to Rs. 1,63,711.06 lacs (disclosed under current financial asset considering repayable on demand) and towards diminution in the value on the Company's investments totaling to Rs. 42,984.38 lacs, respectively, as on March 31, 2023, that were invested in / advanced to certain subsidiaries and other parties which have incurred significant losses and / or have negative net worth as at March 31, 2023 and / or have pending legal disputes with respect to the underlying projects / properties of respective entities, we are unable to comment on the consequential impact of non-provision of impairment on the profit (excluding other comprehensive income) and classification of the loans and advance under current financial asset for the quarter and year ended March 31, 2023 and consequently on the total equity as on March 31, 2023.

**b. Type of Audit Qualification:** Qualified Opinion

**c. Frequency of Qualification:** Repetitive, since FY 2016-17

**d. For Audit Qualification where impact is quantified by the auditor, Management's views:** Impact is not quantified by the auditor.

**e. For Audit Qualification where impact is not quantified by the auditor:**

**(i) Management's estimation on the impact of audit qualification:** Not ascertainable

**(ii) If management is unable to estimate the impact, reasons for the same:**

The underlying projects in such entities are in the early stages of real estate development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values. The group considers its investments and loans in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the group's investments in such entities and for expected credit losses in respect of loans and advances given to such entities, which are considered good and fully recoverable. This matter has been reported by the statutory auditors in their independent audit reports.

**(iii) Auditors' Comments on (i) or (ii) above:**

Included in the Auditors' Report





**a.Details of Audit Qualification**

As stated in Note 9 to the Statement, mentions that consequent to the ongoing negotiations as regards one-time settlement, the Company has not provided for interest on loan from financial institutions (excluding penal interest, if any) amounting to Rs. 817.55 lacs and Rs. 3,270.21. lacs pertaining to quarter and year ended March 31, 2023, respectively [cumulative unprovided interest of Rs 4,914.39 lacs till March 31, 2023] (these amounts exclude interest related to one-of the lender with whom settlement has been agreed upon during the quarter). Had this provision for interest on loan been made, profit (excluding other comprehensive income) for the quarter and year end would have been lower by the said amount and the balance in other equity would have been lower by cumulative unprovided interest of Rs. 4,914.39 lacs till March 31, 2023. The above is not in accordance with Ind AS 23 Borrowing Cost.

**b. Type of Audit Qualification:** Qualified Opinion

**c. Frequency of Qualification:** Repetitive, since FY 2021-22

**d. For Audit Qualification where impact is quantified by the auditor, Management's views:** In the opinion of the management, the liability has not been crystalised considering ongoing negotiation with lender for one time settlement.

**e. For Audit Qualification where impact is not quantified by the auditor:**

(i) Management's estimation on the impact of audit qualification: Not applicable

(ii) If management is unable to estimate the impact, reasons for the same: Not applicable

(iii) Auditors' Comments on (i) or (ii) above: Not applicable

III

**Signatories****Managing Director**

Shahid Balwa

**CFO**

Atul Bhatnagar

**Audit Committee Chairman**

Jagat Killawala

**Statutory Auditor**

Milan Mody

Partner - N. A. Shah Associates LLP

**Place:**

Mumbai

**Date:**

30th May 2023

Statement of Unaudited Consolidated Financial Results for the quarter ended March 31, 2023 and Audited Consolidated Financial Results for the year ended March 31, 2023

		(Rs. in lacs other than EPS)				
Sr.No	Particulars	Quarter Ended			Year Ended	Year Ended
		31st Mar 23	31st Dec 22	31st Mar 22	31st Mar 23	31st Mar 22
		Unaudited (refer note 29 below)	Unaudited	Unaudited (refer note 29 below)	Audited	Audited
1	Revenue from operations (refer note 24)	5,834.98	62,279.67	19,565.58	69,823.96	21,943.42
2	Other Income (refer note 18)	1,735.29	4,548.97	1,911.21	10,901.36	4,707.43
3	<b>Total Income (1+2)</b>	<b>7,570.27</b>	<b>66,828.64</b>	<b>21,476.78</b>	<b>80,725.32</b>	<b>26,650.85</b>
4	<b>Expenses</b>					
	a. Project Expenses (refer note 24)	10,962.97	26,384.92	7,294.27	49,755.98	19,184.83
	b. Changes in inventories of finished goods and work-in-progress (refer note 24)	(10,511.20)	98,375.70	3,815.37	76,583.17	(6,520.46)
	c. Employee Benefits Expenses	58.20	437.73	138.37	1,260.81	683.77
	d. Depreciation and Amortisation	11.46	11.51	14.18	42.33	69.25
	e. Finance Costs (refer note 10)	1,970.27	1,347.86	619.70	5,441.20	28,572.31
	f. Other Expenses	9,762.38	1,752.67	2,417.55	14,015.21	16,069.74
	<b>Total Expenses (a+b+c+d+e+f)</b>	<b>12,254.08</b>	<b>1,28,310.39</b>	<b>14,299.41</b>	<b>1,47,098.70</b>	<b>58,059.44</b>
5	<b>Profit/(Loss) before exceptional Items and tax (3-4)</b>	<b>(4,683.81)</b>	<b>(61,481.75)</b>	<b>7,177.37</b>	<b>(66,373.38)</b>	<b>(31,408.58)</b>
6	Exceptional Items (refer note 14)	(2.24)	-	50,792.64	57,500.00	50,792.64
7	<b>Profit/(Loss) before share of loss of joint venture, associate and tax (5+6)</b>	<b>(4,686.05)</b>	<b>(61,481.75)</b>	<b>57,970.01</b>	<b>(8,873.38)</b>	<b>19,384.06</b>
8	Share of profit / (loss) of joint venture and associates (refer note 19)	1,463.07	(222.37)	(1,878.50)	2,820.06	(5,134.35)
9	<b>Profit/(Loss) before tax for the period / year (7+8)</b>	<b>(3,222.98)</b>	<b>(61,704.12)</b>	<b>56,091.51</b>	<b>(6,053.32)</b>	<b>14,249.71</b>
10	<b>Tax Expenses</b>					
	(a) Current tax	4.09	-	697.50	4.09	697.55
	(b) Deferred tax (refer note 8)	927.81	556.47	4,611.73	2,933.47	11,391.97
	(c) (Excess) / short provision of tax for earlier years	-	9.77	141.78	9.77	(17.96)
	<b>Total Tax expense (a+b+c)</b>	<b>931.90</b>	<b>566.24</b>	<b>5,451.00</b>	<b>2,947.33</b>	<b>12,071.57</b>
11	<b>Profit/(Loss) for the period / year (9-10)</b>	<b>(4,154.88)</b>	<b>(62,270.36)</b>	<b>50,640.51</b>	<b>(9,000.65)</b>	<b>2,178.14</b>
12	<b>Other Comprehensive Income</b>					
	A. Items that will not be reclassified to profit or loss					
	(a) Remeasurement of net defined benefit plans	14.17	(5.38)	(56.80)	(1.95)	(27.07)
	Less: Income tax relating to the above	(4.60)	1.67	7.10	0.41	6.68
	(b) Income / (loss) on fair value adjustment in the value of investments	(41.60)	(1,146.98)	10,924.40	(3,679.11)	10,924.40
	Less: Income tax relating to the above	26.47	238.57	(1,999.28)	783.07	(1,999.28)
	<b>Total Other Comprehensive Income (a+b)</b>	<b>(5.57)</b>	<b>(912.12)</b>	<b>8,875.42</b>	<b>(2,897.58)</b>	<b>8,904.72</b>
13	<b>Total Comprehensive Income for the period (11+12)</b>	<b>(4,160.44)</b>	<b>(63,182.47)</b>	<b>59,515.93</b>	<b>(11,898.23)</b>	<b>11,082.86</b>
	Profit after tax					
	Attributable to :					
	Owner of equity	(5,161.69)	(61,943.93)	50,629.82	(9,038.36)	2,692.74
	Non controlling interest	1,006.81	(326.43)	10.69	37.71	(514.60)
	<b>Total</b>	<b>(4,154.88)</b>	<b>(62,270.36)</b>	<b>50,640.51</b>	<b>(9,000.65)</b>	<b>2,178.14</b>
	Other Comprehensive Income					
	Attributable to :					
	Owner of equity	(4.14)	(912.77)	8,872.08	(2,898.12)	8,901.38
	Non controlling interest	(1.43)	0.66	3.35	0.54	3.35
	<b>Total</b>	<b>(5.57)</b>	<b>(912.12)</b>	<b>8,875.42</b>	<b>(2,897.58)</b>	<b>8,904.72</b>
	Total Comprehensive Income					
	Attributable to :					
	Owner of equity	(5,165.83)	(62,856.70)	59,501.90	(11,936.48)	11,594.12
	Non controlling interest	1,005.39	(325.77)	14.04	38.25	(511.25)
	<b>Total</b>	<b>(4,160.44)</b>	<b>(63,182.47)</b>	<b>59,515.94</b>	<b>(11,898.23)</b>	<b>11,082.87</b>
14	Paid up Equity Share Capital (Face value of Rs. 10 per Equity Share)	35,215.48	34,205.88	25,905.88	35,215.48	25,905.88
15	Other Equity (excluding Revaluation Reserve and including money received against share warrants) (refer note 20)				1,78,507.48	1,62,965.09
16	<b>Basic and Diluted EPS (Rs.) (Not Annualised for the quarter)</b>					
	Basic	(4.25)	(22.70)	20.81	(2.94)	1.11
	Diluted (refer note 27)	(4.25)	(22.70)	19.74	(2.94)	1.05
17	<b>Items exceeding 10% of total Expenses included in other expense</b>					
	Provision for impairment of goodwill	*	*	*	*	8,000.00
	Legal and Professional charges	*	279.27	*	*	*
	Expected credit loss on loans and advances	7,772.28	*	*	8,058.91	*
	Rates & taxes	*	217.70	*	*	*
	Expected credit loss (fair value of guarantee)	*	713.26	*	*	1,333.26

\* represents nil or respective items do not exceeds 10% of total other expenses.





(Rs in Lacs)

	Particulars	As at 31st March 2023 Audited	As at 31st March 2022 Audited
I.	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	514.34	803.70
	(b) Intangible Assets	0.81	0.92
	(c) Goodwill on Consolidation	6,697.39	6,697.39
	(d) Financial Assets		
	(i) Investment in associates and joint venture	57,892.92	55,761.84
	(ii) Investments in others	1,02,574.33	1,00,400.66
	(iii) Loans	63,510.40	64,189.08
	(iv) Others	12,632.63	1,293.16
	(e) Deferred tax assets (net)	15,237.59	17,389.56
	(f) Income Tax Assets (net)	37.83	-
	(g) Other non-current assets	19,018.13	16,252.55
	(h) Assets Held for Sale	-	-
		<b>2,78,116.37</b>	<b>2,62,788.87</b>
2	<b>Current assets</b>		
	(a) Inventories	2,58,219.46	3,34,802.93
	(b) Financial Assets		
	(i) Investments	12,329.01	193.49
	(ii) Trade receivables	6,855.24	22,339.98
	(iii) Cash and cash equivalents	3,956.05	9,110.28
	(iv) Bank balance other than (iii) above	2,239.54	2,096.33
	(v) Loans	58,078.68	57,550.12
	(vi) Other Financial Assets	3,597.01	1,299.14
	(c) Other current assets	36,331.46	33,311.03
	(d) Assets held for sale (Refer Note No. 7)	1,85,044.31	1,52,635.13
		<b>5,66,650.77</b>	<b>6,13,338.43</b>
	<b>TOTAL</b>	<b>8,44,767.14</b>	<b>8,76,127.30</b>
II.	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	(a) Equity Share capital	35,215.48	25,905.88
	(b) Other Equity	1,78,507.48	1,62,965.09
	Equity Attributable to Owners of the Parent	<b>2,13,722.96</b>	<b>1,88,870.97</b>
	Non Controlling Interest	(6,748.33)	(12,510.98)
		<b>2,06,974.63</b>	<b>1,76,359.99</b>
2	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	1,26,219.94	1,99,344.14
	(ii) Trade Payable (other than payable to Micro and small enterprise)	130.11	111.94
	(iii) Other financial liabilities	13,022.43	6,157.40
	(b) Provisions	221.97	237.57
	(c) Other non-current liabilities	-	-
		<b>1,39,594.45</b>	<b>2,05,851.05</b>
3	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	1,40,409.95	1,44,465.29
	(ii) Trade and other payables		
	- Total outstanding dues to Micro and Small Enterprises	222.04	327.80
	- Total outstanding dues to others	9,098.73	9,688.12
	(iii) Other financial liabilities	68,628.14	82,068.24
	(b) Income tax liabilities (net)	-	94.77
	(c) Other current liabilities	55,372.18	66,690.20
	(d) Provisions	6,687.52	5,167.58
	(e) Liabilities pertaining to Disposal Group (Refer Note No 7)	2,17,779.50	1,85,414.26
		<b>4,98,198.06</b>	<b>4,93,916.26</b>
	<b>TOTAL</b>	<b>8,44,767.14</b>	<b>8,76,127.30</b>



(Rs. In lacs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>A. CASH INFLOW/ (OUTFLOW) FROM THE OPERATING ACTIVITIES</b>		
NET PROFIT/(LOSS) BEFORE TAX AND AFTER EXCEPTIONAL ITEMS	(8,873.39)	19,384.05
Adjustments for:		
Depreciation and amortisation expense	42.33	69.25
Interest Expenses	5,441.20	28,572.31
Interest Income	(1,739.06)	(3,205.85)
Dividend Income	-	(2.48)
Loss/(Profit) on sale of Property, Plant and Equipment	334.09	(173.12)
Expense on share based payments to employees	472.06	-
Loss on sale of investments	-	2,815.40
Gain on account of one time settlement of loan (exceptional item)	(57,500.00)	-
Fair Valuation (gain)/loss on financial instruments	-	1,721.07
Unrealised foreign exchange (gain)/ loss	23.88	7.86
Provision for Doubtful Debts written back	(2,180.56)	(1,183.68)
Provision for expected credit loss on loans and advances	8,058.91	-
Inventory written off/(written back)	-	(123.80)
Sundry balance written off, net	1.99	1,630.58
Reversal of impairment loss on financial instruments (unwinding of financial instruments measured at amortised cost)	(6,318.80)	(21,802.68)
Waiver of interest on loans under one time settlement	-	(6,675.35)
Write back of compensation and interest expenses payable upon settlement	-	(13,369.55)
Sundry credit balance/liabilities no longer written back	-	(8,945.06)
Provision for expected credit loss on financial guarantees	1,239.21	610.82
Provision for Impairment of Goodwill	-	8,000.00
Loss on fair value upon acquisition of additional stake in associate	-	110.78
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(60,998.14)</b>	<b>7,440.55</b>
Adjustments for:		
(Increase)/ Decrease in Inventories	88,752.51	4,497.43
(Increase)/ Decrease in Trade Receivables	15,484.74	(15,072.68)
(Increase)/ Decrease in Other Current Financial Assets	(2,297.88)	8,319.50
(Increase)/ Decrease in Other Non Current Assets	(2,765.58)	727.47
(Increase)/ Decrease in Other Current Assets	(834.63)	3,192.16
(Increase)/ Decrease in Other Non Current Financial Assets	1,484.94	(940.41)
Increase/ (Decrease) in Other Non Current Financial liabilities	(4,334.97)	(10,459.67)
Increase/ (Decrease) in Trade Payables	(690.57)	1,568.90
Increase/ (Decrease) in Other Current Financial Liabilities	(13,628.48)	(40,935.67)
Increase/ (Decrease) in Other Current Liabilities	(10,613.14)	(11,397.58)
Increase/ (Decrease) in Provisions	263.18	899.33
(Increase)/ Decrease Assets held for sale and pertaining to Disposal Group	(3,918.58)	(18,929.44)
Increase/ (Decrease) liabilities pertaining to Disposal Group	3,874.88	44,319.42
<b>Cash Generated used in Operations</b>	<b>9,778.27</b>	<b>(26,770.69)</b>
Income Tax Paid/(Refunded) (net)	(144.48)	108.82
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>9,633.79</b>	<b>(26,661.87)</b>
<b>B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>		
Loans and advances taken / (given) (net)	(7,920.92)	30,889.61
(Investments)/ Proceed from maturity of fixed deposits	(143.21)	(24.32)
(Purchase)/Proceeds from sale of fixed assets (net)	(86.95)	362.29
Sale/ (Purchase) of Investments (net) (including current investment in LLP)	(11,921.71)	(2,009.00)
Consideration paid for obtaining control of subsidiary, net of cash and cash equivalents acquired	-	(1,876.28)
Interest Received	114.64	106.92
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(19,958.14)</b>	<b>27,451.70</b>
<b>C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		
Interest Paid	(9,844.37)	(23,496.96)
Proceeds/(Repayment) from short term borrowings, (net)	(2,424.53)	22,480.45
Proceeds/(Repayment) from long term borrowings, (net)	(18,156.03)	(34,043.39)
Share issue expenses	-	(36.22)
Proceeds from issue of share capital and warrants	35,595.05	43,717.84
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>5,170.12</b>	<b>8,621.71</b>
Net Change in cash and cash equivalents (A+B+C)	(5,154.23)	9,411.54
Opening Cash and Cash Equivalent	9,110.28	(301.25)
Closing Cash and Cash Equivalent	3,956.05	9,110.29

<b>Components of cash and cash equivalents:</b>	<b>For the Year ended March 31, 2023</b>	<b>For the Year ended March 31, 2022</b>
a. Balances with banks in current accounts	3,857.22	9,063.17
b. Cash on hand	22.99	22.13
c. Fixed Deposit having maturity less than 3 months	75.86	25.00
<b>Total</b>	<b>3,956.05</b>	<b>9,110.29</b>
Cash and cash equivalents as at the year ended	3,956.05	9,110.29





Notes:-

2	The above results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Parent at its meeting held on May 30, 2023. The Statutory Auditors have expressed qualified audit opinion on these consolidated financial results for the year ended March 31, 2023. Matters referred to in note no. 4, 5 and 10 below have been qualified by the statutory auditor and matters referred to in note no. 7, 8, 11, 13, 15(a), 15(b), 15(c) and 16 have been mentioned as emphasis of matter in their audit report.
3	The above consolidated financial results have been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ('SEBI'), and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
4	<p>With respect to guarantees or securities given by the Parent Company: The Parent company carries out its business ventures through various entities. The funds required for projects in those entities are secured through financial guarantees and securities of the Company. Following are the notes related to guarantees and securities given by the Company where such entities have defaulted:</p> <p>(a) During the previous quarter, one of lenders has invoked the corporate guarantee given by the Parent company on behalf of a related party. As per the communication the total demand is Rs 76,038.97 lacs which has been contested by the Parent company vide its response to the said communication. The lender had confirmed / acknowledged the amount of Rs 23,636 lacs vide its letter dated March 8, 2021. The Parent company in its response to the invocation of the corporate guarantee has made an offer to pay Rs 25,400 lacs as a part of its obligation as a guarantor and which will also be reimbursed by such related party. The management based on the market value of the various other primary securities, corporate guarantee and undertaking by the holding company of the related party entity (for whom guarantee was provided) is confident of recovering the amount (if any) paid to the lenders from the said related party and its holding company and accordingly is of the view that provision is not required to be made.</p> <p>(b) Financial guarantees and securities given by the Parent company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs 6,811.47 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. Valuation report of such primary / underlying assets provided as securities by the lending companies has not been obtained from the independent valuer. In view of the management, value of such primary / underlying assets provided as securities is greater than the outstanding loans and hence additional liability will not devolve on the Group inspite of the guarantee and securities provided by the Group. In the above amounts, interest and other charges are not included as the same cannot be quantified as the respective borrower/s had disputed the same and also since settlement proposal is in discussion by the respective borrowers with their lenders.</p> <p>(c) Further, Financial guarantees and securities given by the Group on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs. 36,280.5 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. As per valuation reports obtained from independent valuer, the value of primary / underlying assets provided as securities by the lending companies is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Group. In the above amounts, interest and other charges are not included as the same cannot be quantified as the respective borrower/s had disputed the same and also since settlement proposal is in discussion by the respective borrowers with their lenders. Considering the restrictive covenants, value of underlying securities being greater than the outstanding loans, the fair value of the guarantee is Nil.</p> <p>Further, out of Rs. 36,280.5 lacs above, subsequent to the quarter end, one of the entities (i.e. borrower), has entered in to one time settlement with lender for repayment of loans of Rs. 32,000 lakhs (excluding interest, penal interest and other charges). Post payment of settlement amounts, the company's guarantee obligation of such loans would cease.</p> <p>During the earlier quarter of the current year, the Parent company's personnel have received summons from Securities Exchange Board of India (SEBI) regarding guarantees/securities given in the past for and on behalf of a related entity as that entity had defaulted in its repayment obligation. The company has duly replied to the said summons.</p> <p>With reference to above, during the previous quarter, the Securities Exchange Board of India (SEBI) has issued administrative warning (i.e. impugned order) to the Independent Directors with respect to accounting and disclosure of financial guarantees based on the investigation report carried out by SEBI. This report was specifically with respect to matters covered in note 4(a) of the statement and it also extends to other guarantees as well. The said report quantifies the expected credit loss / additional provision with respect to financial guarantees as mentioned in note 4(a) above is Rs. 59,130.18 lakhs to be made by the company in accordance with Ind AS 109 'Financial Instrument'. The company has disputed the said report / order and in its opinion, no provision is required to be made based on underlying assets of the various entities and ongoing discussion for settlement of the loans by the respective entities with their lenders. The Parent Company has filed an appeal and application seeking stay against the said Impugned order before the Securities Appellant Tribunal (SAT) seeking reliefs including (a) setting aside the said Impugned Order and (b) To pass an order staying the effect, implementation and operations of the Impugned Order. During the quarter, the said appeal was heard and SAT has ruled against the Parent company. The Parent company will explore further legal remedies including filing an appeal against the said order before the Hon'ble Supreme Court.</p> <p>Further, during the previous quarter, the Parent company has filed settlement application with SEBI in relation to the above matters where the Company has offered monetary and non-monetary settlement terms.</p> <p>Furthermore, during the current quarter, the SEBI has issued a show cause notice to the Parent Company and its directors for violation of various provisions related to Securities Contracts (Regulation) Act, 1956 and non-compliance of accounting standard / Indian accounting standards related to guarantee and securities given by the Group to various entities. The management of the parent company is of the view that there is no non-compliance / non-disclosure and has duly replied to the said show cause notice (subsequent to the quarter/ year end) and awaits further communication from SEBI.</p> <p>In respect of above matters, the statutory auditors have expressed qualified audit opinion on these standalone financial results for the year ended March 31, 2023.</p>
5	<p>The group has investments in certain associates, joint ventures and other parties aggregating Rs. 18,517.33 lacs (including goodwill on consolidation) and loans and advances outstanding aggregating Rs. 53,948.48 lacs as at March 31, 2023. While such entities have incurred significant losses and/or have negative net worth as at March 31, 2023 and/or have pending legal disputes with respect to the underlying projects/properties of respective entity, the underlying projects in such entities are in the early stages of real estate development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values. The group considers its investments and loans in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the group's investments in such entities and for expected credit losses in respect of loans and advances given to such entities, which are considered good and fully recoverable. This matter has been reported by the statutory auditors in their independent audit reports.</p> <p>In respect of above matter, the statutory auditors have expressed qualified audit opinion on these consolidated financial results for the year ended March 31, 2023.</p>



6	<p>Note on investment of the group in Marine Drive Hospitality and Realty Private Limited (MDHRPL):</p> <p>a) With respect to 2,470,600 numbers of Redeemable Optionally Convertible Cumulative Preference Shares ('ROCCPS') Series A, 217,630 numbers of ROCCPS Series C and 74,443 numbers of Cumulative Redeemable Convertible Preference Shares ('CRCPS') of MDHRPL held by the group aggregating to Rs. 82,847.41 lacs, management of the Group had during the previous quarter decided not to opt for conversion of aforesaid shares.</p> <p>b) Pursuant to resolution passed in the annual general meeting of the Parent Company and the consent of the board of MDHRPL, 92,600 numbers of Compulsory Convertible Cumulative Preference Shares ('CCCPS') - Series C of MDHRPL aggregating to Rs. 13,334.06 lacs has been converted into 92,600 ROCCPS during the previous quarter. The Group had decided to not to opt for the conversion of aforesaid shares.</p> <p>c) The group has not nominated any director on the Board of MDHRPL.</p> <p>Considering the above facts including management intention to opt for redemption of CRCPS and ROCCPS, the group does not have control over MDHRPL and accordingly is neither considered a subsidiary nor an associate of the Parent Company. The Parent Company holds 15.53% of the paid-up equity share capital of MDHRPL.</p>
7	<p>Real Gem Buildtech Private Limited (a wholly owned subsidiary Company of the Parent Company, hereinafter referred to as "WOS") has during the year ended March 31, 2019 filed a Scheme with National Company Law Tribunal (NCLT) whereby it has proposed to transfer all of its assets and liabilities pertaining to Identified Project Undertaking, being "DB Crown" Project on going concern basis as a Slump Sale to Kingmaker Developers Private Limited ("KDPL"). Pursuant to the above application, the NCLT passed certain directions vide order dated November 5, 2019. However, the Company could not comply with the said directions under the above order on account of various reasons including COVID-19. The management is proposing to file an application for reissuance of the above directions. The Company has obtained a legal opinion which confirms that the Company can make such an application for reissuance of the above directions. The management is hopeful that upon filing of new application, it will secure reissuance of the directions from NCLT and in due course of time, the Scheme filed by the Company shall be approved by the NCLT. The impact in the books of accounts of the Company on account of disposal of the Project Undertaking on a Slump Sale basis will be made in the year in which the approval is accorded to the Scheme by NCLT, including the gains, contingent gains and the income-tax thereon. Further, the said WOS has shown its assets and liabilities relating to project undertaking as assets held for sale and liabilities pertaining to disposal group in accordance with Ind AS 105 - "Non Current Assets Held for Sale". There is no development in the matter as compared to the previous quarter.</p>
8	<p>The group has recognized net deferred tax asset of Rs. 15,237.59 lacs mainly on changes in fair value of financial instrument and brought forward losses in the earlier years. In the opinion of the management, there is a reasonable certainty as regards utilization / reversal (consequent to potential increase in fair value in future and taxable profits) of the said deferred tax assets. The statutory auditors have drawn attention of above matter in their audit report on the consolidated financial results for the year ended March 31, 2023.</p>
9	<p>The Group has various debt obligations (excluding corporate guarantee) aggregating to Rs 1,71,611.98 lacs (including loans from JVs partner with whom various projects are under execution) within next 12 months. These obligations are higher than the liquid assets out of current assets. This could result in significant uncertainty on its ability to meet these debt obligations and continue as going concern. The management is addressing this issue robustly, Parent Company has entered into one-time settlement with various lenders, raised funds through issued convertible warrants, entered in development agreement / joint ventures to revive various projects which have significantly high growth potential. The management is confident and has made plans to manage the liquidity position by restructuring the existing terms of borrowings, monetization of non-core assets, mobilization of additional funds and conversion of outstanding warrants into equity shares. Accordingly, the consolidated financial results are prepared on a going concern basis. The statutory auditors have drawn attention of above matter in their audit report on the consolidated financial results for the quarter and year ended ended March 31, 2023 in line with the earlier limited review reports / independent audit reports (also refer note 20).</p>
10	<p>The Group has not provided for interest on loan from one of the financial institutions amounting to Rs. 817.55 lacs and Rs. 3,270.21 lacs pertaining to quarter and year ended March 31, 2023, respectively considering the ongoing discussions / negotiations with lenders as regards to one time settlement. These amounts exclude interest related to one-of the lender with whom settlement has been agreed upon during the quarter.</p> <p>In respect of above matter, the statutory auditors have expressed qualified audit opinion on these consolidated financial results for the year ended March 31, 2023.</p>
11	<p>The Group has entered into one-time settlement with one of the financial institutions subject to the compliance with the payment terms. As per the said settlement the Group is required to pay Rs. 40,000 lakhs (plus interest as per agreed rate from 1st April 2023) upto 31st January 2025 as per repayment schedule specified therein. Additionally, the write-back / difference (if any) between the original loan amount plus accrued interest upto the date of settlement and the revised amount payable would be accounted in the period in which the condition of settlement arrangement are met. The Group has requested for extension of time for the installment due on 31st March 2023 from the lender which has been in principle agreed by the lender subject to execution of necessary addendum settlement agreement which is in the process of being executed. The statutory auditors have drawn attention of above matter in their audit report on the consolidated financial results for the year ended March 31, 2023.</p>
12	<p>During the earlier quarter of current year, the Parent company has repaid the entire outstanding principal amount to one of its lenders under restructuring &amp; settlement proposal and the unpaid interest amount has converted into funded interest bearing term loan which will be repaid over 24 months (including moratorium period of 6 months).</p>





13	Realizable value of security deposits aggregating to Rs 2,257.95 lacs, investments and loans & advances in certain subsidiary companies/ entities aggregating to Rs 2,03,545.5 lacs and inventory of construction work in progress of Rs 2,58,219.46 lacs are based on the managements estimates, various approvals obtained / pending, stage of completion, projections of expected cost and revenue, realization of construction work in progress and market value of the underlying developments rights. These estimates are dynamic in nature and are dependent upon various factors such as eligibility of the tenants, changes in the saleable area, acquisition of new Floor Space Index (FSI) and other factors. Changes in these estimates can have significant impact on the financial results of the company for the quarter and year and also future periods, however quantification of the impact due to change in said estimates is not practical. The statutory auditors have drawn attention of above matter in their audit report on the consolidated financial results for the year ended March 31, 2023.
14	<p>Details of exceptional items:</p> <p>(a) During the year, pursuant to one time settlement proposal entered, one of the subsidiaries has settled loan of Rs. 85,000 lacs taken from the lender for an amount of Rs. 27,497.76 lacs during the previous quarter. Accordingly, the said write back on derecognition of the said liability of Rs. 57,500.00 has been disclosed under exceptional item.</p> <p>b) During the previous year,</p> <p>(i) parent Company has completed One Time Settlement (OTS) with two lenders. Consequently, interest waived by the lenders of Rs. 6,675.35 lacs had been disclosed under exceptional item. Additionally, various subsidiaries (excluding point 'b(ii)' below) had entered into settlement with various lenders / parties and have consequently written back Rs. 8,945.06 lacs.</p> <p>(ii) reversal of impairment loss of Rs 21,802.68 lacs (net of unaccounted gain on CRCPS valued at amortized cost of Rs 19,119.61 lacs) with respect to the investment in Marine Drive Hospitality and Realty Private Limited. Additionally with respect to instruments where the Company had opted for FVTOCI, the reversal of impairment loss had been credited to other comprehensive income. The reversal of impairment loss is mainly on account of unlocking of development potential of the underlying property held by the said entity and its subsidiaries. The corresponding deferred tax assets created on these impairment loss provided in the earlier years was also reversed of Rs. 4,308.72 lacs.</p> <p>(iii) MIG (Bandra) Realtors &amp; Builders Private Limited had written back the net amount payable to one party aggregating to Rs 13,369.55 lacs (against whom bankruptcy proceedings were initiated during the previous year) based on the supplemental agreement and approval of the resolution plan by the CRIP and the committee of creditors during the previous year. The said write-back was disclosed as an exceptional item in the results of the previous year.</p>
15	<p>Following are the major litigation updates of the group:</p> <p>a. As regards certain allegations made by the Enforcement Directorate against the Parent Company and its two Key Managerial Persons (KMPs), in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice. The Parent and its two KMPs have been acquitted by the Hon'ble CBI Special Court and the Enforcement Directorate has filed an appeal against the said order. There is no new development in this matter from the quarter ended December 31, 2022.</p> <p>b. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Parent Company's assets aggregating to Rs. 711.48 lacs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs.68.93 lacs, two flats having written down value of Rs. 85.72 lacs as on December 31, 2022 and Investment in Redeemable Optionally Convertible Cumulative Preference Shares - Series A and Series C made by the parent company aggregating to Rs. 556.83 lacs in earlier years. The impact, if any, of its outcome is currently unascertainable. There is no new development in this matter from the quarter ended December 31, 2022.</p> <p>c. The group is a party to various legal proceedings in normal course of business (including cases pending before the Hon'ble National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016) and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow.</p> <p>The Group does not expect any financial liability in above matters.</p> <p>The statutory auditors have drawn attention of above matter in their audit report on the consolidated financial results for the year ended March 31, 2023.</p>
16	During the previous year, the premises of the group and that of their KMPs were searched by the Income Tax department. During the current year, Central Bureau of Investigation (CBI) has carried out searches of one of the wholly owned subsidiary (WOS) and premises of KMPs. Certain documents [including back-up of the accounting software] have been taken by the department and CBI. The WOS has submitted all information as requested by the CBI from time to time and as per the WOS's understanding there is no pending information to be provided to the CBI as on March 31, 2023. However, the group is confident that it has not indulged in any activity that may make it liable for any liability in this regard. The statutory auditors have drawn attention of above matter in their audit report on the consolidated financial results for the year ended March 31, 2023.
17	Based on the guiding principles given in Ind AS 108 "Operating Segments" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, the group is mainly engaged in the business of real estate development viz. construction of residential / commercial properties in India. As the group business fall within a single primary business segment, the disclosure requirements of Ind AS 108 in this regard are not applicable.
18	<p>Other income includes:</p> <p>(a) Rs. 510.84 lacs, 1,979.49 lacs &amp; Rs. 6,210.72 lacs for the quarter ended March 31, 2023, previous quarter ended December 31, 2022 and year ended March 31, 2023, respectively, on unwinding of financial instruments accounted on amortised cost basis.</p> <p>(b) for the previous quarter, it includes Rs. 2,170 lakhs on account of reversal of provision for doubtful debts on account of realization of the receivables.</p>
19	For the year ended 31st March 2023, share of profit / (loss) of joint venture and associates includes Rs. 2,025.57 lacs on account of gain due to changes in fair value of financial instruments (which is accounted at FVTPL) in one of the joint venture company.





20	<p>During the previous year, the Parent had allotted 25,75,00,000 warrants convertible into equity shares on preferential basis upon payment of 25% of total issue price and raised Rs. 38,604.56 lacs. One of the objectives of raising warrants was to reduce debt and meet funding requirements of the Company, its subsidiaries, JVs and partnership firms in which the Company is a partner. The said warrants entitle the allottees to apply for and be allotted equal number of equity shares for each warrant held on payment of balance 75% of the issue price amounting to Rs. 115,813.69 lacs within 18 months from the date of allotment of the warrants.</p> <p>Some of the allottees exercised their conversion option and had converted 1,58,00,000 warrants into equity shares during the previous year upon payment of balance 75% of the issue price on such warrants aggregating to Rs. 5,113.28 lacs. The Parent company had also received the listing approval from recognised stock exchanges for the listing of 1,58,00,000 shares during the previous year.</p> <p>Further, during the year ended March 31, 2023, 9,30,96,000 warrants have been converted into equity shares on exercise of conversion option by promoter allottees and investors upon payment of 75% of issue price of such warrants aggregating to Rs. 35,574.65 lacs. The Parent company had also received the listing approval from recognised stock exchanges for the listing of 8,42,96,000 shares during the year. For the remaining 88,00,000 warrants converted into equity shares, the Parent company has filed an application for listing approval with the recognised stock exchange for issue of such shares and the approval for the same is received subsequent to the year end.</p> <p>Additionally, Rs 20.38 lacs has been received as advance towards balance share warrants which are yet to be converted.</p>
21	The board has approved the proposal for amalgamation of Platinumcorp Affordable Builders Private Limited ("Transferor Company") and Royal Netra Constructions Private Limited ("Transferee Company") and their respective shareholders ("Scheme") under composite scheme of amalgamation and arrangement under sections 230 to 232, section 66 and other applicable provisions of the Companies Act, 2013 subject to approval National Company Law Tribunal. No accounting treatment has been given in the books pending the said approval.
22	During the current quarter, DB Man Realty Limited, Spacecon Realty Private Limited and DB View Infracon Private Limited (all 3 wholly owned subsidiaries of the Company) have filed joint company scheme application with the Hon'ble National Company Law Tribunal ("NCLT") for merger. The same is admitted by Hon'ble NCLT. Upon the scheme being approved and filed with ROC, DB Man Realty Limited and Spacecon Realty Private Limited will merged with DB View Infracon Private Limited.
23	During the previous quarter, the Company has acquired remaining 9% stake (i.e. 12.60 lakhs equity shares) in DB Man Realty Limited and 26% stake (i.e. 0.03 lakhs equity shares) in Spacecon Realty Private Limited as a result these entities have become wholly owned subsidiaries of the Company. Further, during the earlier quarter of the current year, Parent has acquired additional stake in the Great View Buildcon Private Limited and hence the same has become a subsidiary company w.e.f. May 10, 2022 (Till May 9, 2022, Great View Buildcon Private Limited was a step down joint venture of the Parent).
24	During the previous quarter, one of the wholly owned subsidiary (WOS) has entered into joint venture with Godrej Residency Pvt Ltd (GRPL) for development of its land parcel. In pursuance of the said transaction, the WOS has executed deed of conveyance in favour of GRPL for the agreed sale consideration. The loss of Rs 62,623.65 lacs after considering the carrying value of the land as also the liability on account of settlement with the lender has been accounted for during the quarter. Any future gain which is contingent on the market conditions would be accounted upon as and when the same is realised.
25	Subsequent to the quarter / year end, the Company has executed securities purchase agreement and deed of transfer of partnership Interest for proposed disinvestment of its entire holding / interest in two joint ventures of the Company i.e. Prestige (BKC) Realtors Pvt Ltd and Turf Estate Joint Venture LLP for a consideration of Rs. 97,870 lacs and Rs. 19,779 lacs, respectively. This transaction is subject to completion of condition precedent to the said agreement / deed of partnership and accordingly accounting treatment for divestment will be given on completion of the transaction.
26	One of the subsidiary companies has given interest free adjustable security deposit of Rs. 4,700 lacs during year ended March 31, 2023 and outstanding balance is Rs 12,723.55 lacs as on March 31, 2023 for an option to acquire certain assets of a related party subject to due diligence, statutory approvals etc.
27	Share warrants and ESOPs have been considered for the purpose of dilutive earning per share (EPS) as applicable. With respect to quarter ended December 31, 2022, quarter and year ended March 31, 2023, impact of these items are anti dilutive.
28	In accordance with Employee Stock Option Plan scheme, the Parent has granted 32.25 lac equity shares to its employees (including the employees of its subsidiaries, associates and joint ventures) at an exercise price of Rs. 41.45 per equity share during the earlier quarter. Accordingly, the same has been accounted as per 'Ind AS 102 - Share Based Payment'.
29	The figures of the quarter ended March 31, 2023 and March 31, 2022 are the balancing figures between audited figures In respect of the full financial year and published year to date figures upto nine months ended December 31, 2022 and December 31, 2021 respectively which were subjected to limited review.
30	Figures for the previous periods / year are re-classified / re-arranged / re-grouped wherever necessary to conform current period's presentation.

For D B Realty Limited

Shahid Balwa  
Vice Chairman & Managing Director  
DIN 00016839



Dated:- May 30, 2023  
Place:- Mumbai



Independent Auditor's Report on the consolidated financial results of D B Realty Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To  
The Board of Directors  
D B Realty Limited

**Qualified Opinion**

We have audited the accompanying statement of consolidated financial results ("the Statement") of **D B Realty Limited** ("the Parent or Holding company") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the year ended March 31, 2023, attached herewith, being submitted by the Parent Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

The Statement includes the results for the quarter ended March 31, 2023 being the derived figures between the audited figures in respect of the full financial year ended March 31, 2023 and the unaudited published year-to-date figures up to December 31, 2022, being the date of the end of the third quarter of the current financial year, which were subject to limited review.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements of subsidiaries, associates, joint ventures and based on certified financial results provided by the management of six step down joint ventures, except for the possible effects of the matters described in the "Basis of Qualified Opinion" section of our report, the aforesaid Statement:

(i) includes the annual financial results of the following entities:

Sr. No.	Name of the Entity	Relationship
<b>Companies</b>		
1.	D B Realty Limited	Parent
2.	DB Man Realty Limited	Subsidiary
3.	Esteem Properties Private Limited	Subsidiary
4.	Goregoan Hotel and Realty Private Limited	Subsidiary
5.	Neelkamal Realtors Suburban Private Limited	Subsidiary
6.	Neelkamal Shantinagar Properties Private Limited	Subsidiary
7.	Real Gem Buildtech Private Limited	Subsidiary
8.	Saifee Bucket Factory Private Limited	Subsidiary
9.	N.A. Estate Private Limited	Subsidiary
10.	Royal Netra Constructions Private Limited	Subsidiary
11.	Nine Paradise Erectors Private Limited	Subsidiary
12.	MIG Bandra Realtor and Builder Private Limited	Subsidiary
13.	Spacecon Realty Private Limited	Subsidiary
14.	Vanita Infrastructure Private Limited	Subsidiary
15.	DB Contractors and Builders Private Limited	Subsidiary
16.	DB View Infracon Private Limited	Subsidiary
17.	Prestige (BKC) Realtors Private Limited (formerly known as DB (BKC) Realtors Private Limited)	Joint Venture
18.	Neelkamal Realtors Tower Private Limited	Subsidiary

**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

19.	D B Hi-Sky Construction Private Limited	Associate
20.	Shiva Realtors Suburban Private Limited	Associate
21.	Shiva Buildcon Private Limited	Associate
22.	Shiva Multitrade Private Limited	Associate
23.	Horizontal Ventures Private Limited (along with Milan Theatres Private Limited, subsidiary company) (formerly known as Horizontal Realty and Aviation Private Limited)	Step down Subsidiary
24.	Great View Buildcon Private Limited (formerly known as Turf Estate Realty Private Limited) (Step down Joint Venture upto May 9, 2022 and Subsidiary with effect from May 10, 2022)	Subsidiary
25.	Pandora Projects Private Limited	Joint Venture
26.	Godrej Residency P Ltd. (effective from December 23, 2022)	Step down Joint Venture
<b>Partnership Firms/ LLP's/Association of Persons</b>		
27.	Mira Real Estate Developers	Subsidiary
28.	Conwood –DB Joint Venture (AOP)	Subsidiary
29.	ECC - DB Joint Venture (AOP)	Subsidiary
30.	Turf Estate Joint Venture (AOP)	Subsidiary
31.	Innovation Erectors LLP	Subsidiary
32.	Turf Estate Joint Venture LLP	Joint Venture
33.	M/s Dynamix Realty	Joint Venture
34.	M/s DBS Realty	Joint Venture
35.	Lokhandwala Dynamix-Balwas JV	Joint Venture
36.	DB Realty and Shreepati Infrastructures LLP	Joint Venture
37.	Sneh Developers	Step down Joint Venture
38.	Evergreen Industrial Estate	Step down Joint Venture
39.	Shree Shantinagar Venture	Step down subsidiary
40.	Suraksha DB Realty	Step down Joint Venture
41.	Lokhandwala DB Realty LLP	Step down Joint Venture
42.	OM Metal Consortium	Step down Joint Venture
43.	Ahmednagar Warehousing Developers and Builders LLP	Step down Joint Venture
44.	Solapur Warehousing Developers and Builders LLP	Step down Joint Venture
45.	Aurangabad Warehousing and Developers Builders LLP	Step down Joint Venture
46.	Latur Warehousing Developers and Builders LLP	Step down Joint Venture
47.	Saswad Warehousing Developers and Builders LLP	Step down Joint Venture

- (ii) are presented in accordance with the requirements of Regulations 33 of the Listing Regulations, (as amended); and
- (iii) give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group, its associates and joint ventures for the year ended March 31, 2023.





### **Basis of Qualified Opinion**

1. Measurement of financial guarantees at fair value under 'Ind AS 109 - Financial Instruments' is not done (also refer note 4 to the statement):

- a. During the previous quarter, one of the lenders has invoked the corporate guarantee given by the Parent company on behalf of a related party. As per the communication the total demand is Rs 76,038.97 lacs which has been contested by the company vide its response to the said communication. As explained to us, the lender had confirmed / acknowledged the amount of Rs 23,636 lacs vide its letter dated March 8, 2021. The company in its response to the invocation of the corporate guarantee has made an offer to pay Rs 25,400 lacs as a part of its obligation as a guarantor and which will also be reimbursed by such related party.

The management based on the market value of the various other primary securities, corporate guarantee and undertaking by the holding company of the related party entity (for whom guarantee was provided) is confident of recovering the amount (if any) paid to the lenders from the said related party and its holding company and accordingly is of the view that provision is not required to be made.

- b. Financial guarantees and securities given by the Parent Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs 6,811.47 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. Valuation report of such primary / underlying assets provided as securities by the borrowing companies has not been obtained from the independent valuer. In view of the management, value of such primary / underlying assets provided as securities is greater than the outstanding loans and hence additional liability will not devolve on the Company.
- c. Further, Financial guarantees and securities given by the Parent Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs. 36,280.50 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. As per valuation reports obtained from independent valuer, the value of primary / underlying assets provided as securities by the borrowing is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Company.

Further, out of Rs. 36,280.50 lacs above, subsequent to the quarter end, one of the entities (i.e. borrower), has entered in to one time settlement with lender equivalent to loans of Rs. 32,000 lacs (excluding interest, penal interest and other charges). Post payment of settlement amounts, the company's guarantee obligation would cease.

With reference to above, during the previous quarter, Securities Exchange Board of India (SEBI) has issued administrative warning (i.e. impugned order) to the Independent Directors with respect to accounting and disclosure of financial guarantees based on the investigation report carried out by SEBI. This report was specifically with respect to matters covered in note 4(a) of the Statement and it also extends to other guarantees as well. The said report quantifies the expected credit loss / additional provision with respect to financial guarantees as mentioned in note 4(a) of Statement of Rs. 59,130.18 lacs to be made by the company in accordance with Ind AS 109 Financial Instruments till 31<sup>st</sup> March 2021. The Parent company has disputed the said report order and in its opinion, no provision is required to be made based on underlying assets of the





## N. A. SHAH ASSOCIATES LLP

Chartered Accountants

various entities and ongoing discussion for settlement of the loans by the respective entities with their lenders. The Parent company has filed an appeal and application seeking stay against the said impugned order before the Securities Appellate Tribunal (SAT) seeking reliefs including (a) Setting aside the said impugned order and (b) To pass an order staying the effect, implementation and operations of the impugned order. During the quarter, the said appeal was heard and SAT has ruled against the Company. The Parent Company is exploring further legal remedies and intends to file an appeal against the said order.

Further, during the previous quarter, the Parent Company has filed settlement application with SEBI in relation to the above matters where the Parent Company has offered monetary and non-monetary settlement terms.

Furthermore, during the current quarter, SEBI has issued a show cause notice to the Parent Company and its directors for non-compliance of various provisions related to Securities Contracts (Regulation) Act, 1956 and non-compliance of accounting standards / Indian accounting standards related to guarantee and securities given by the Parent Company to various entities. The Parent Company has duly replied to the said show cause notice.

Considering the above, management view and ongoing dispute, the potential impact on the loss (excluding other comprehensive income) for the quarter and year ended March 31, 2023, and consequently on the total equity as on March 31, 2023, cannot be ascertained and the said matter has already been covered in basis of qualified opinion in para 1(a) above.

2. As stated in Note 5 to the Statement and considering the non-evaluation of impairment provision in accordance with Ind AS 109 – Financial Instruments and Ind AS 36 – Impairment of Assets, towards expected credit losses in respect of the loans and advances / deposits totaling to Rs. 53,948.48 lacs (disclosed under current financial asset considering repayable on demand) and towards diminution in the value on the Group's investments (including goodwill on consolidation) totaling to Rs. 18,517.33 lacs, respectively, as on March 31, 2023, that were invested in / advanced to certain associates, joint ventures and other parties which have incurred significant losses and / or have negative net worth as at March 31, 2023 and / or have pending legal disputes with respect to the underlying projects / properties of respective entities. We are unable to comment on the consequential impact of non-provision of impairment on the loss (excluding other comprehensive income) and classification of the loans and advances under current financial asset for the quarter and year ended March 31, 2023, and consequently on the total equity as on March 31, 2023.
3. Attention is invited to Note 10 to the statement, which mentions that consequent to the ongoing negotiations as regards one-time settlement, the Group has not provided for interest on loan from financial institutions (excluding penal interest, if any) amounting to Rs. 817.55 lacs and Rs. 3,270.21 lacs pertaining to quarter and year ended March 31, 2023, respectively [cumulative unprovided interest of Rs. 4,914.39 lacs till March 31, 2023] (these amounts exclude interest related to one-of the lender with whom settlement has been agreed upon during the quarter). Had this provision for interest on loan been made, loss (excluding other comprehensive income) for the quarter and year end would have been lower by the said amount and the balance in other equity would have been lower by cumulative unprovided interest of Rs. 4,914.39 lacs till March 31, 2023. The above is not in accordance with Ind AS 23 Borrowing Cost.

The cumulative impact of the above qualifications on the Statement has not been ascertained by the management and hence cannot be quantified.

Qualifications listed in para 1(a), 1(b), 2 and 3 have been reported by us in limited review report on consolidated financial statement for the quarter and half year ended September 30, 2021, and in the audit report for the year ended March 31, 2022. Further, qualification mentioned in para 1(c) have





been reported by us in limited review report since quarter and nine months ended December 31, 2022.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement 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 Statement 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 1 of "Other Matter" section below, is sufficient and appropriate to provide a basis for our qualified opinion on the statement.

#### **Material Uncertainty related to going concern**

The Group has various debt obligations (excluding corporate guarantee) aggregating to Rs. 1,71,611.98 lacs within the next 12 months. These obligations are higher than the current assets which are liquid in nature. This could result in significant uncertainty on its ability to meet these debt obligations and continue as going concern. The management is addressing this issue robustly, the Parent Company has entered / negotiating one-time settlement with various lenders, raised funds through issued convertible warrants, entered in development agreement / joint ventures to revive various projects which have significantly high growth potential. The management is confident that they will be able to manage the liquidity position by restructuring the existing terms of borrowings, monetization of non-core assets and mobilization of additional funds. Accordingly, the consolidated financial results are prepared on a going concern basis (Refer Note 9 of the Statement).

Our opinion is not modified in respect of above matter. In respect of the above matter, attention was also drawn by us in our earlier limited review reports on the unaudited consolidated financial results and audit report of previous financial year.

#### **Emphasis of matters**

1. With respect to security deposits aggregating to Rs 2,257.95 lacs, investments and loans & advances in certain subsidiary companies / entities aggregating to Rs 2,03,545.50 lacs and inventory of construction work in progress of Rs 2,58,219.46 lacs, we have relied upon management estimates and explanations as regards, various approvals obtained / pending, stage of completion, projections of expected cost and revenue, realization of construction work in progress and market value of the underlying developments rights / assets proposed to be acquired. These estimates are dynamic in nature and are dependent upon various factors such as eligibility of the tenants, changes in the saleable area, acquisition of new Floor Space Index (FSI) and other factors. Changes in these estimates can have a significant impact on the financial results of the company for the quarter and year ended March 31, 2023, and future periods, however quantification of the impact due to change in said estimates is not practical. Being a technical matter, these management estimates have been relied upon by us (refer Note 13 to the statement).
2. As stated in note 11 of the Statement, during the current quarter, the Parent Company and one of the subsidiary company has entered into one-time settlement with one of the financial institutions subject to the compliance with the payment terms. As per the said settlement the Company is required to pay Rs. 40,000 lacs (plus interest as per agreed rate) upto 31st January 2025 as per repayment schedule specified therein. Additionally, the write-back / difference (if any) between the original loan amount plus accrued interest upto the date of settlement and the revised amount payable would be accounted in the period in which the condition of settlement





## N. A. SHAH ASSOCIATES LLP

Chartered Accountants

arrangement are met. The Group has requested for extension of time for the installment due on 31st March 2023 from the lender which has been in principle agreed by the lender subject to execution of necessary addendum settlement agreement which is in the process of being executed.

3. The group has recognized net deferred tax assets of Rs. 15,237.59 lacs mainly on changes in fair value of financial instruments and brought forward losses in the earlier years. In the opinion of the management, there is a reasonable certainty as regards utilization / reversal (consequent to potential increase in fair value in future and taxable profits) of the said deferred tax assets. We have relied upon the management explanation as regards the same (refer note 8 of the Statement).
4. With respect to various legal matters our comments are as under:
  - a. As regards certain allegations made by the Enforcement Directorate against the Parent and its two Key Managerial Persons, in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage (refer note 15(a) of the Statement).
  - b. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Parent's assets aggregating to Rs. 711.48 lacs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs. 68.93 lacs, two flats having written down value of Rs. 85.72 lacs as on March 31, 2023, and Investment in Redeemable Optionally Convertible Cumulative Preference Shares – Series A and Series C of Marine Drive Hospitality and Realty Private Limited of Rs. 556.83 lacs in earlier years. The impact, if any, of its outcome is currently unascertainable at this stage (refer note 15(b) of the Statement).
  - c. Following are the Emphasis of Matters in their respective financial results for the year ended March 31, 2023, of the partnership firms (where parent company is a partner), which have not been audited by us:
    - i. As regards the recoverability of Trade Receivables of Rs. 4,930.33 lacs as on March 31, 2023 which are attached under the Prevention of Money Laundering Act, 2002 and non-provision for expected credit loss based on the management assessment as regards the outcome of the said matter.
    - ii. Allegations made by the Central Bureau of Investigation (CBI) relating to the 2G spectrum case and regarding attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002 and the undertaking given by the Company that it will bear the loss if there is any non / short realization of the attached asset.

These matters are sub-judice and the impact, if any, of its outcome is currently unascertainable.
  - d. In one of the subsidiary company, project cost carried in inventory totaling to Rs. 2,301.33 lacs as on March 31, 2023 is under litigation and are sub-judice. Based on the assessment done by the Management of the said entity, no adjustments are considered necessary in respect of the recoverability of the said balance. The impact, if any, of the outcome is unascertainable at present.
  - e. In addition to the above, the Group, its associate and joint ventures are party to various legal proceedings in normal course of business (including cases pending before the Hon'ble National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016) and does not expect the outcome of these proceedings to have any adverse effect on its financial





**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

conditions, results of the operations or cash flow. We have relied upon the representation from the in-house legal team as regards the same (refer note 15(c) of the Statement).

- f. As stated in note 16 to the Statement, during the previous year, Income tax authorities carried out search operation at premises of the Group and KMP's and during the earlier quarter, Central Bureau of Investigation (CBI) has carried out searches on the premises of one of the subsidiaries. Certain documents [including back-up of accounting software] was taken by the department and CBI. In view of ongoing proceedings, the Group is not in a position to ascertain the possible liability, if any.
5. In case of two subsidiaries, with regards to the memorandum of understanding entered into with parties / land aggregator for acquiring part of the rights in leasehold land / properties for development thereof, including advances granted aggregating to Rs. 3412.00 lacs and amounts which are committed and the implications (example -forfeiture etc.), if the entities are not able to complete its obligations within the agreed timelines.
6. In case of a subsidiary company, with regards to the accounting, disclosures and financial implications for the proposed transfer of all the assets and liabilities pertaining to Identified Project Undertaking, being "DB Crown" Project, on a going concern basis as Slump Sale to Kingmaker Developers Private Limited ("KDPL") and adjustment of the profit / loss relating to the said Project Undertaking, being carried out by the said subsidiary in trust for KDPL. The company had filed an application with the NCLT, however it has not complied with directions of the NCLT on account of Covid-19. As explained to us, the subsidiary company is in the process of making an application for re-issuance of directions and based on decision / directions of the NCLT on the re-issuance application, further steps would be determined. This being a legal matter, we have relied upon the representation provided by the legal team of the group (Refer note 7 of the Statement). As further stated in said note, there has been no development in this matter.
7. In case of a step-down subsidiary company, non-provision of disputed service tax demand of Rs. 1,843.77 lacs as on March 31, 2023.

Our conclusion is not modified in respect of the above matters.

Emphasis of matter made by us in the above paragraphs 4(c), 4(d), 5 and 7 and their impact on the Statement, have not been disclosed in the notes to the Statement. In respect of matter covered in above para (except para 1 & 2), attention was drawn by us in limited review report since quarter and half year ended September 30, 2021. Further, with respect to matter covered in above para 1 and 2, attention was also drawn by us in limited review report since quarter and nine months ended December 31, 2021 and limited review report since quarter and nine months ended December 31, 2022, respectively. Our conclusion was not modified in respect of the above matters in earlier quarters also.

Our opinion is not modified in respect of the above matters.

**Management's Responsibility for the statement**

The Statement have been prepared on the basis of the consolidated financial statements.

The Parent Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group including its associates and joint ventures in accordance with recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing





## N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Regulations. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Parent Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group and of its associates and joint ventures or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures

### Auditor's responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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 Statement, 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 through separate report on consolidated financial statement on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Director'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 ability of the Group and its associates and joint ventures 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 Statement 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 Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.

We communicate with those charged with governance of the Parent Company and such other entity included in the statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### **Other matters**

1. The Statement includes the audited financial results of twenty-four subsidiaries (including two step down subsidiaries) (including one subsidiary w.e.f. June 01, 2022), whose financial Statements reflect Group's share of total assets of Rs. 6,46,184.72 lacs as at March 31, 2023, Group's share of total revenue of Rs. 1,28,715.41 lacs and Rs. 58,698.59 Lacs, Group's share of total net profit (including other comprehensive income) of Rs. (7,408.31) Lacs and Rs. (6,518.22) Lacs for the quarter and year ended March 31, 2023 respectively and cash inflows (net) of Rs. 226.52 lacs for the year ended March 31 2023, as considered in the Statement, which have been audited by their respective independent auditors. The Statement also include the Group's share of net profit after tax of Rs. 5,865.88 lacs and Rs. 6,658.48 lacs and total comprehensive loss of Rs. 5,865.92 lacs and Rs. 6,658.48 lacs for the quarter and year ended March 31, 2023, respectively, as considered in the Statement, in respect of four associate and twelve joint ventures (including six step down joint ventures), whose financial statement have been audited by their respective independent auditors. The independent auditors' reports on financial statement of these entities have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these



## N. A. SHAH ASSOCIATES LLP

Chartered Accountants

entities, is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

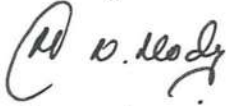
2. The Statement includes Group's share of net loss after tax of Rs. 25.74 Lacs and Rs. 25.60 Lacs for the quarter and year ended March 31, 2023, respectively, as considered in the statement, in respect of six step down joint venture, whose financial statements have not been audited by us. These unaudited financial statements have been furnished to us by the Management and our opinion on the statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group (including its associates and joint ventures).
3. During the previous quarter, the Board has approved the proposal for amalgamation of Platinumcorp Affordable Builders Private Limited ("Transferor Company") with one of its subsidiaries, Royal Netra Constructions Private Limited ("Transferee Company") and their respective shareholders under the scheme of amalgamation. The aforesaid scheme is subject to the approval of NCLT (refer note 21 of the statement).

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and unaudited financial results provided by the Management.

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm's Registration No. 116560W/W100149



**Milan Mody**

Partner

Membership number: 103286

UDIN: 23103286BGPZNI9545



Place: Mumbai

Date: May 30, 2023



**Annexure I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results- Consolidated**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023  
(See Regulations 33 of SEBI (LODR) (Amendment) Regulations, 2016)**

I		Rs in Lakh	
Sr. No.	Particulars	Audited Figures (as reported before for adjusting qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover/ Total Income	80725.32	In the opinion of the management not ascertainable for the reasons stated below in each point.
2	Total Expenditure	147098.7	
3	Net Profit/ (Loss)	(9000.65)	
4	Earnings per Share (Basic)	(2.94)	
5	Earnings per Share (Diluted)	(2.94)	
6	Total Assets	8,44,767.14	
7	Total Liabilities	6,37,792.51	
8	Net Worth	2,06,974.63	
9	Any other financial items	-	
II	Audit Qualification		
1	a. Details of Audit Qualification:		
	1. Non-remeasurement of financial guarantees at fair value under Ind AS 109 – Financial Instruments (refer note 4 to the statement):		
	a. During the previous quarter, one of the lenders has invoked the corporate guarantee given by the Parent company on behalf of a related party. As per the communication the total demand is Rs 76,038.97 lacs which has been contested by the company vide its response to the said communication. As explained to us, the lender had confirmed / acknowledged the amount of Rs 23,636 lacs vide its letter dated March 8, 2021. The company in its response to the invocation of the corporate guarantee has made an offer to pay Rs 25,400 lacs as a part of its obligation as a guarantor and which will also be reimbursed by such related party.		
	The management based on the market value of the various other primary securities, corporate guarantee and undertaking by the holding company of the related party entity (for whom guarantee was provided) is confident of recovering the amount (if any) paid to the lenders from the said related party and its holding company and accordingly is of the view that provision is not required to be made.		
	b. Financial guarantees and securities given by the Parent Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs 6,811.47 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. Valuation report of such primary / underlying assets provided as securities by the borrowing companies has not been obtained from the independent valuer. In view of the management, value of such primary / underlying assets provided as securities is greater than the outstanding loans and hence additional liability will not devolve on the Company.		



- c. Further, Financial guarantees and securities given by the Parent Company on behalf of certain entities who have defaulted in their principal payment obligations to the lenders aggregating to Rs. 36,280.50 lacs (excluding interest, penal interest and other charges). The loans taken by these entities have also been secured by charge on the underlying assets of the said entities and assets of other related parties. As per valuation reports obtained from independent valuer, the value of primary / underlying assets provided as securities by the borrowing is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Company.

Further, out of Rs. 36,280.50 lacs above, subsequent to the quarter end, one of the entities (i.e. borrower), has entered in to one time settlement with lender equivalent to loans of Rs. 32,000 lakhs (excluding interest, penal interest and other charges). Post payment of settlement amounts, the company's guarantee obligation would cease.

With reference to above, during the previous quarter, Securities Exchange Board of India (SEBI) has issued administrative warning (i.e. impugned order) to the Independent Directors with respect to accounting and disclosure of financial guarantees based on the investigation report carried out by SEBI. This report was specifically with respect to matters covered in note 4(a) of the Statement and it also extends to other guarantees as well. The said report quantifies the expected credit loss / additional provision with respect to financial guarantees as mentioned in note 4(a) of Statement of Rs. 59,130.18 lakhs to be made by the company in accordance with Ind AS 109 - Financial Instruments till 31st March 2021. The Parent company has disputed the said report / order and in its opinion, no provision is required to be made based on underlying assets of the various entities and ongoing discussion for settlement of the loans by the respective entities with their lenders. The Parent company has filed an appeal and application seeking stay against the said impugned order before the Securities Appellate Tribunal (SAT) seeking reliefs including (a) Setting aside the said impugned order and (b) To pass an order staying the effect, implementation and operations of the impugned order. During the quarter, the said appeal was heard and SAT has ruled against the Company. The Parent Company is exploring further legal remedies and intends to file an appeal against the said order.

Further, during the previous quarter, the Parent Company has filed settlement application with SEBI in relation to the above matters where the Parent Company has offered monetary and non-monetary settlement terms.

Furthermore, during the current quarter, the SEBI has issued a show cause notice to the Parent Company and its directors for non-compliance of various provisions related to Securities Contracts (Regulation) Act, 1956 and non-compliance of accounting standard / Indian accounting standards related to guarantee and securities given by the Parent Company to various entities. The Parent Company has duly replied to the said show cause notice.

Considering the above, management view and ongoing dispute, the potential impact on the profit (excluding other comprehensive income) for the quarter and year ended March 31, 2023, and consequently on the total equity as on March 31, 2023, cannot be ascertained and the said matter has already been covered in basis of qualified opinion in para 1(a) above.

**b. Type of Audit Qualification: Qualified Opinion**

**c. Frequency of Qualification: Repetitive, since FY 2016-17**

**d. For Audit Qualification where impact is quantified by the auditor, Management's views: Impact is not quantified by the auditor.**

**e. For Audit Qualification where impact is not quantified by the auditor:**

**(i) Management's estimation on the impact of audit qualification:**

With regard to point no. a as above, the management based on the market value of the various other primary securities, corporate guarantee and undertaking by the holding company of the related party





entity (for whom guarantee was provided) is confident of recovering the amount (if any) paid to the lenders from the said related party and its holding company and accordingly is of the view that provision is not required to be made.

With regard to point no. b, the management is of the view that value of such primary / underlying assets provided as securities is greater than the outstanding loans and hence additional liability will not devolve on the Company inspite of the guarantee and securities provided by the Company. In the above amounts, interest and other charges are not included as the same cannot be quantified as the respective borrower/s had disputed the same and also since settlement proposal is in discussion by the respective borrowers with their lenders.

Further, out of Rs. 24,547.62 lacs above, during the current quarter the one of the subsidiary companies (i.e. borrower), has entered in to one time settlement with lender equivalent to loans of Rs. 17,736.15 lakhs (excluding interest, penal interest and other charges) . The Company has requested for extension of time for the installment due on 31st March 2023 from the lender which has been in principle agreed by the lender subject to execution of necessary addendum settlement agreement which is in the process of being executed.

With regard to point no. c, the value of primary /underlying assets provided as securities by the lending companies is greater than the outstanding loans and hence in view of the management no additional liability is expected to devolve on the Company. In the above amounts, interest and other charges are not included as the same cannot be quantified as the respective borrower/s had disputed the same and also since settlement proposal is in discussion by the respective borrowers with their lenders. Considering the restrictive covenants, value of underlying securities being greater than the outstanding loans, the fair value of the guarantee is Nil.

Further, out of Rs. 35,240.5 lacs above, subsequent to the quarter end, one of the entities (i.e. borrower), has entered in to one time settlement with lender equivalent to loans of Rs. 32,000 lakhs (excluding interest, penal interest and other charges). Post payment of settlement amounts, the company's gaurantee obligation of such loans would cease.

(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable




(iii)	Auditors'	Comments	on	(i)	or	(ii)	above:
	Included in the Auditors' Report						



2	<p><b>a. Details of Audit Qualification:</b> As stated in Note 5 to the Statement regarding non-evaluation of impairment provision in accordance with Ind AS 109 - Financial Instruments and Ind AS 36 - Impairment of Assets, towards expected credit losses in respect of the loans and advances / deposits totaling to Rs. 53,948.48 lacs (disclosed under current financial asset considering repayable on demand) and towards diminution in the value on the Parent Company's investments totaling to Rs. 18,517.33 lacs, respectively, as on March 31, 2023, that were invested in / advanced to certain subsidiaries and other parties which have incurred significant losses and / or have negative net worth as at March 31, 2023 and / or have pending legal disputes with respect to the underlying projects / properties of respective entities, we are unable to comment on the consequential impact of non-provision of impairment on the profit (excluding other comprehensive income) and classification of the loans and advance under current financial asset for the quarter and year ended March 31, 2023 and consequently on the total equity as on March 31, 2023</p> <p><b>b. Type of Audit Qualification:</b> Qualified Opinion</p> <p><b>c. Frequency of Qualification:</b> Repetitive, since FY 2016-17</p> <p><b>d. For Audit Qualification where impact is quantified by the auditor, Management's views:</b> Impact is not quantified by the auditor.</p> <p><b>e. For Audit Qualification where impact is not quantified by the auditor:</b> (i) Management's estimation on the impact of audit qualification: Not ascertainable (ii) If management is unable to estimate the impact, reasons for the same: The underlying projects in such entities are in the early stages of real estate development and are expected to achieve adequate profitability on substantial completion and / or have current market values of certain properties which are in excess of the carrying values. The Company considers its investments and loans in such entities as strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities and for expected credit losses in respect of loans and advances given to such entities, which are considered good and fully recoverable. (iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors' Report</p>
3	<p><b>a.Details of Audit Qualification</b> As stated in Note 9 to the Statement, mentions that consequent to the ongoing negotiations as regards one-time settlement, the Group has not provided for interest on loan from financial institutions (excluding penal interest, if any) amounting to Rs. 817.55 lacs and Rs. 3,270.21lacs pertaining to quarter and year ended March 31, 2023, respectively [cumulative unprovided interest of Rs.4,914.39 lacs till March 31, 2023] (these amounts exclude interest related to one-of the lender with whom settlement has been agreed upon during the quarter). Had this provision for interest on loan been made, profit (excluding other comprehensive income) for the quarter and year end would have been lower by the said amount and the balance in other equity would have been lower by cumulative unprovided interest of Rs. 4,914.39 lacs till March 31, 2023. The above is not in accordance with Ind AS 23 Borrowing Cost.</p> <p><b>b. Type of Audit Qualification:</b> Qualified Opinion</p> <p><b>c. Frequency of Qualification:</b> Repetitive, since FY 2021-22</p> <p><b>d. For Audit Qualification where impact is quantified by the auditor, Management's views:</b> In the opinion of the management, the liability has not been crystallised considering ongoing negotiation with lender for one time settlement.</p> <p><b>e. For Audit Qualification where impact is not quantified by the auditor:</b> (i) Management's estimation on the impact of audit qualification: Not applicable (ii) If management is unable to estimate the impact, reasons for the same: Not applicable (iii) Auditors' Comments on (i) or (ii) above: Not applicable</p>





III	<b>Signatories</b>	
	<b>Managing Director</b>	 
	Shahid Balwa	
	<b>CFO</b>	 
	Atul Bhatnagar	
	<b>Audit Committee Chairman</b>	
	Jagat Killawala	
	<b>Statutory Auditor</b>	 
Milan Mody Partner - N. A. Shah Associates LLP		
<b>Place:</b>	Mumbai	
<b>Date:</b>	30th May 2023	