

The background of the cover is a dark teal color. It features a large, abstract illustration of a city street scene. The buildings are represented by white and light orange wireframe outlines, showing a perspective view of a street lined with tall, modern structures. The ground is depicted with a network of white lines and dots, creating a sense of depth and connectivity.

# Nila Spaces Limited

23<sup>rd</sup> Annual Report 2022-2023





# Our Ongoing Attraction

**VIDA  
Gift City**

Bringing the magnificence of **German** architecture  
to **GIFT City** to provide a landmark of  
contemporary living with aspects of sustainability, greenery  
and a colorful vibe.





STATE-OF-THE-ART  
SKY PARK

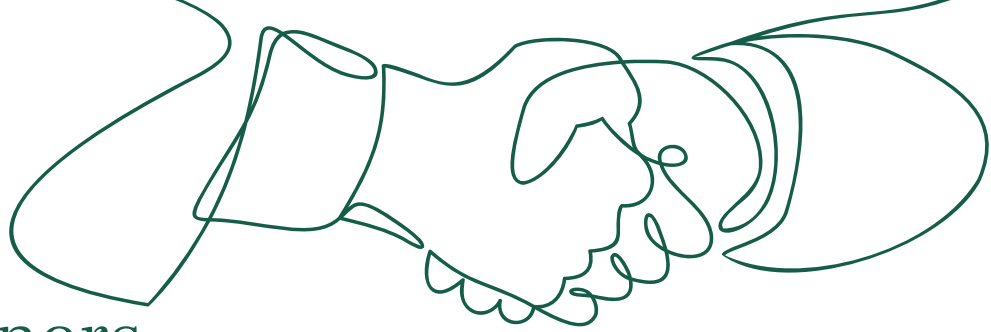
65,000  
Sq. Ft. +

area dedicated  
purely to amenities



Contemporary  
connecting bridges  
**FIRST TIME IN INDIA**  
Jogging track @

111 Mt.



# blocher partners

## Concept

The vision was to provide a landmark for contemporary living with aspects of sustainability and a green and colourful vibe. The towers will be an identity giving a great standing position in the urban context for this upcoming socio-economic quarter and the bespoke apartments will cater to the needs of the cosmopolitan inhabitants. What is most important for us is that the spaces will be not only highly functional and efficient but also happy, open, well-lit and take advantage of the amazing views that the location has to offer.

## Architecture

The development is a composition of 2 towers measuring 117m connected by 6 bridges. The vertical green which is integrated in the façade adds a positive vibe not only in the urban context to the building as a strong standing landmark, but also to the user with direct usage not only of the amazing views but also the greens which are wrapping this building. In each of the towers the ground and first floor are for common spaces and amenities, and floors above this are a mix of 1, 2 and 3 bedroom apartments for a vivid combination of singles, couples, and everyone can find something according to their needs.

The bridges between the buildings and the whole roof top terraces are valuable additional green spill out spaces made

accessible to all users. The area of the green bridges will connect the two towers like a green joint thus providing a visual delight to the passers-by.

A colour was added to give a vibrancy in the dialogue between the elegant horizontal white lines and the natural greens growing and hanging over. This also gives a sense of recognition and visual connection to the users. The horizontal bands give a strong structure to the building with an elegant feel where planters are added and balconies pop out which also gives an additional advantage of shading of the outer wall of the apartments

## Hartmut Wurster

Blocher Partners India is the Indian presence of the renowned Germany-based architecture and design firm Blocher Partners, active globally. Hartmut Wurster arrived 11 years ago and setup the office in Ahmedabad. Our diverse team of architects, graphic designers, interior designers, communication specialists, environmental

planners and product designers is spread across Stuttgart, Berlin, Mannheim and Ahmedabad. We are able to offer our transdisciplinary service by combining architecture, urban planning, interior design, product design and communication.



QUINTESSENTIALLY

## THE WORLD'S LEADING MEMBERS-ONLY CONCIERGE CLUB



VIDA members are privileged to have Quintessential membership. Quintessentially Lifestyle Members have access to thousands of benefits and privileges with the best hotels, restaurants, clubs, spas, luxury products and practical services across the globe.

- Quintessentially is offering concierge service to all members.
- The world's leading private members club and luxury lifestyle group.
- Founded in the UK in 2000 as a private members club and concierge service and operational in India since 2010
- Lifestyle assistance available 24 hours/365 days a year.
- Over 1500 concierge experts with multi-lingual capabilities.
- Physical offices in over 60 cities worldwide and 32 sister companies
- Access to the very finest of products, services and benefits.
- Dedicated managers offering proactive service to enhance your lifestyle
- Unrivalled knowledge and experience.
- Local expert insider knowledge.

**5**

Global  
Hubs

**33**

Global  
Offices

**700+**

Team  
Members



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# About Us

Nila Spaces Limited is a latest enterprise of Ahmedabad headquartered Sambhaav Group, pursuant to the Scheme of Arrangement for Demerger (the "Scheme") of Real Estate (RE) Undertaking of Nila Infrastructures Limited (the "Demerged Company"/NI Ltd) into Nila Spaces Limited (the "Resultant Company") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 with Appointed Date of 01 April 2017.

Nila Spaces Limited is a progressive Real-Estate company that believes in changing the paradigm of the industry by adopting innovative technologies, benchmark quality, robust engineering and uncompromising business ethics. Since its inception, Nila Spaces Limited has functioned with marked distinction in the real estate arena and has demonstrated timeless values and transparency in all spheres of business conduct. Every challenge to provide unswerving real estate to contribute to the growth of the home buyer has been met with tenacity and unmatched dedication.



## Mission

- ◉ Strive relentlessly to provide world-class real-estate and contribute towards economic growth by delivering international standards of lifestyle.
- ◉ Engage in challenging projects, adhere to required standards and see them through completion with high levels of integrity and dedication.
- ◉ Provide 'housing-for-all' by participating in affordable housing projects thus contributing to national and social causes.
- ◉ Achieve transparency in every deal and endeavor to deliver on time, each time.
- ◉ Innovate and provide intelligent solutions in a manner which is sustainable.

## Vision

- ◉ Mark our presence as a leading real-estate player, perform with a high level of integrity and harness credibility.
- ◉ Raise our own benchmarks with every successive endeavor.




## Values

- ◉ Passion for ideas and innovations
- ◉ Reliability of processes and practices
- ◉ Dedication to goals and targets





# Chairman's message



“Welcome to Tech driven Real Estate Housing Company where innovation transforms homes into futuristic marvels. We blend cutting edge technology with real estate expertise to craft smarter & more connected living spaces. With us experience the future of homeownership today”

It gives me immense pleasure to present 23<sup>rd</sup> Annual Report to the shareholders of the company. Our journey has been so far remarkable, exciting because of growth and value creation driven by unwavering innovation and a commitment to harnessing cutting-edge technology, including AI. In a world where change is constant, we have embraced these advancements to not only meet the evolving needs of our customers but to surpass their expectations. Our foray into AI driven functions has allowed us to streamline processes, enhance customer experiences, optimize resource allocation, and solidifying our position as a technology-driven real estate player within the industry. However, our pursuit of excellence goes beyond technology; it rests on the foundation of high ethics and governance practices.

We understand that our success is not just defined by profits, but by the trust we earn from each stakeholder we engage with. Our commitment to integrity, transparency, and fair dealings is

unwavering, ensuring that every interaction is a testament to our ethical standards. Central to our ethos is the paramount focus on stakeholders' interests. From our valued customers seeking a home to investors entrusting us with their resources, we are acutely attuned to their needs and aspirations. Their satisfaction is our ultimate benchmark of success. As we march forward, our dedication to the housing industry remains steadfast. We recognize the critical role we play in shaping communities, providing homes, and fostering growth. Our pursuit of value creation extends beyond financial gains – it encompasses the creation of spaces that inspire, nurture, and elevate lives.

In conclusion, I invite you all to join hands in our collective journey towards a future where technology, ethics, and innovation converge seamlessly. Let us continue to build not just structures, but legacies that stand as monuments to our commitment, principles, and unwavering dedication.



# Board of Directors



## **Mr. Jasvinder S Rana** | Chairman

Mr. Jasvinder Singh Rana is an ex-IAS officer and has held important positions in government and various public sector units. He possessed varied experience managing government organizations. He was ex MD of GSRTC.

## **Mr. Anand B Patel** | Director

Mr. Patel had been the Additional City Engineer with the Ahmedabad Municipal Corporation. With over 35 years of hands on experience, he has put in massive efforts in looking after the construction of houses for the urban poor by engaging in Slum Relocation and in-situ Redevelopment; also the EWS/LIG houses under different schemes/ programs by GoG, GOI. He has worked assiduously in zonal administrative and engineering projects related to public services. His positive steadfastness has proved to be a remarkable credential in his work area and has earned him elevated endorsements / accolades in the fields of planning, preparation of tenders, execution of capital works in water supply, drainage, SWD, public building works, bridges, roads.

## **Mr. Deep S Vadodaria** | Whole Time Director

Mr. Deep Vadodaria is an original thinker with an immense reasoning power. With a problem-solving attitude, he addresses complex issues in his own distinctive manner. With his excellent operational and project execution skills; he is driving the Company to new horizons. His idiosyncratic leadership style is structured on a well-define moral code and provides for an excellent teamwork. He has embedded a culture of review, responsibility and shared accountability to achieve high standards for all.

## **Mr. Prashant H Sarkhedi** | Finance Director & Chief Financial Officer

Mr. Sarkhedi is a passionate professional with about three decades of experience in finance, accounting, fund raising and general management. He is a disciplinarian, has in-depth knowledge and insight on diverse subject matters and possesses excellent organizational and motivational skills.

## **Ms. Rajal B Mehta** | Director

Ms. Rajal is an eminent Strategic Planner & 360° Marketing Consultant with professional educational background of Engineering & MBA. She is engaged in discovering her quest towards the business which she was passionate about from her childhood. She is the founder-CEO of "SMART TOUCH" – a strategic consultancy boutique engaged in exclusive consultancy especially in Real-Estate, FMCG, Health, and Education. Various reputed corporate clients (e.g. Rajani Group of Companies, Ban Labs, Samay Group, ICFAI Business School, & ICRI) as well as public sector undertakings have benefitted from her 15+ years of rich experience. She is a Specialist in perfecting the brand-image and business development based on her skillful ideas, planning, and implementation.

## **Mr. Shrinjay S Joshi** | Director

Mr. Shrinjay S Joshi is an expert of financial services mainly into loan syndication and life insurances. He works through his firm SJ Associates and possess rich experience of more than ten years. Mr. Joshi was the Chairman of CII-Yi (Confederation of Indian Industry – Young Indian) Ahmedabad Chapter and currently he is Chairman of Western Region of CII-Yi.

# Corporate Information

**Mr. Jasvinder S Rana**

*Chairman*  
DIN-01749361

**Mr. Anand B Patel**

*Director*  
DIN-07272892

**Mr. Deep S Vadodaria**

*Director*  
DIN-01284293

**Mr. Prashant H Sarkhedi**

*Finance Director & Chief Financial Officer*  
DIN-00417386

**Ms. Rajal B Mehta**

*Director*  
DIN-08182658

**Mr. Shrinjay S Joshi**

*Director*  
DIN-08692453

**CHIEF FINANCIAL OFFICER**

**Mr. Prashant H Sarkhedi**

**COMPANY SECRETARY**

**Ms. Gopi V Dave**

**CORPORATE IDENTIFICATION NUMBER**

**L45100GJ2000PLC083204**

**REGISTERED OFFICE AND CONTACT DETAILS**

First Floor, Sambhaav House,  
Opp. Chief Justice's Bungalow,  
Bodakdev, Ahmedabad – 380 015  
**Tel:** +91 79 40036817 / 26870258  
**Email:** secretarial@nilaspaces.com  
**Website:** www.nilaspaces.com

**BANKER**

Axis Bank Limited  
State Bank of India  
ICICI Bank  
Punjab National Bank  
Canara Bank

**REGISTRAR & SHARE TRANSFER AGENT**

**M/s. MCS Share Transfer Agent Limited**  
201, Second Floor, Shatdal Complex, Opp. Bata Showroom,  
Ashram Road, Ahmedabad- 380009  
**Phone:** +91 79-26580461/62

**SECRETARIAL AUDITOR**

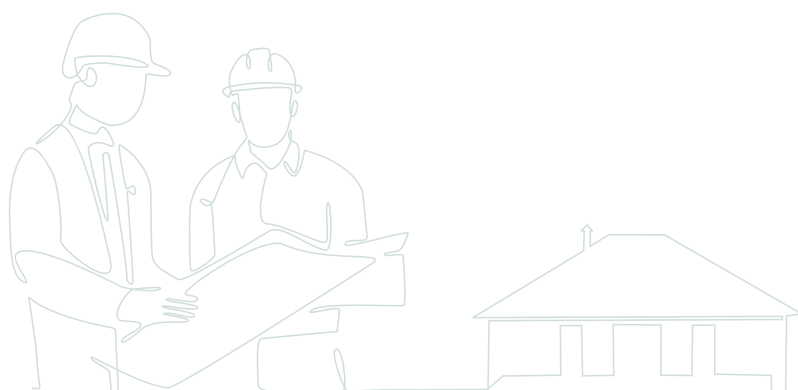
**M/s. Umesh Ved & Associates**  
Practicing Company Secretary  
Ahmedabad

**INTERNAL AUDITOR**

**M/s. M P Doshi & Associates**  
Chartered Accountants  
Ahmedabad

**STATUTORY AUDITOR**

**M/s. Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
Ahmedabad



# Directors' Report

Dear Members,

The Directors of your Company are pleased to present the 23<sup>rd</sup> Annual Report to the Members with the Audited Financial Statements for the Financial Year ended on 31 March 2023.

## STATE OF AFFAIRS OF THE COMPANY:

The Company is public limited and listed at BSE Limited (Scrip code: 542231) and National Stock Exchange India Limited (Scrip code: NILASPACEs) engaged in the business of construction and development of projects for sale. During the year, there is no change in the state of affairs of the company.

## FINANCIAL HIGHLIGHTS:

The performance of the Company for the Financial Year 2022-23 is as under:

(₹ in Lakhs, except per equity share data)

Particulars	Standalone for the year ended		Consolidated for the year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue from Operations	101.08	532.70	101.08	532.70
Add: Other Income	241.64	539.17	241.64	401.29
<b>Total Income</b>	<b>342.72</b>	<b>1,071.87</b>	<b>342.72</b>	<b>933.99</b>
Less: Revenue Expenditure	888.08	840.98	887.67	823.43
Less: Depreciation and Amortization	11.21	15.33	11.21	15.33
Less: Finance cost	0.44	26.54	0.44	26.54
<b>Profit Before Share in profit of joint ventures and associate and Tax</b>	<b>(557.01)</b>	<b>189.02</b>	<b>(556.60)</b>	<b>68.69</b>
Less: Current Tax	-	35.13	-	35.13
Less: MAT Credit Entitlement	-	4.21	-	4.21
Less: Reversal of excess provision for tax of earlier Years	0.83	2.34	0.83	19.30
Less: Deferred Tax Charges/Credit (net)	(156.22)	18.32	(156.22)	18.32
<b>Profit for the year</b>	<b>(401.62)</b>	<b>129.02</b>	<b>(401.21)</b>	<b>(8.27)</b>
Share of Profit/(Loss) of associate	-	-	(5.02)	(3.85)
<b>Net Profit</b>	<b>(401.62)</b>	<b>129.02</b>	<b>(406.23)</b>	<b>(12.12)</b>
Add: Balance Brought Forward from previous Financial Year	1,144.92	1,014.26	323.11	333.58
<b>Profit available for appropriation</b>	<b>743.30</b>	<b>1,143.27</b>	<b>(83.12)</b>	<b>321.46</b>
Add: Re-measurement gains/(losses) on defined employee benefit plan (Net of tax)	1.19	1.65	1.20	1.65
<b>Surplus carried to Balance Sheet</b>	<b>744.49</b>	<b>1,144.92</b>	<b>(81.92)</b>	<b>323.11</b>
Add: Security Premium	5.80	5.80	5.80	5.80
Add: General Reserve	7.90	7.90	7.90	7.90
Add: Capital Reserve	7,607.64	7,607.64	7,547.55	7,547.55
Reserves	8,365.83	8,766.26	7,479.33	7,884.36
Share Capital	3,938.89	3,938.89	3,938.89	3,938.89



Particulars	Standalone for the year ended		Consolidated for the year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Earnings per share (EPS) before exceptional item</b>				
Basic	(0.10)	0.03	(0.10)	(0.00)
Diluted	(0.10)	0.03	(0.10)	(0.00)
<b>EPS after exceptional item</b>				
Basic	(0.10)	0.03	(0.10)	(0.00)
Diluted	(0.10)	0.03	(0.10)	(0.00)

**Notes:**

- (1) The above figures are extracted from the standalone and consolidated financial statements as per Indian Accounting Standard.
- (2) Equity shares are at par value of ₹ 1 per share.

**CHANGE IN NATURE OF BUSINESS:**

During the financial year under review, there has been no change in the nature of business of the Company.

**REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE:**

Your Company's primary area of operations includes construction and development of projects for sale and to provide end to end services in the real estate industry. Your Company has acquired development rights of 5.40 lakh sq ft built up area at GIFT City – Gandhinagar for development and sale of residential project. Your Company is developing a luxurious residential scheme 'VIDA' at GIFT City. VIDA showcases the Future of Urban living which will be the crown jewel of residential segment of GIFT by presenting unmatched facilities, super quality, and focusing on unparalleled architectural design by internationally renowned firm. State of the Art SKY Park, 65000 sq. ft plus dedicated area of amenities, twin tower connecting sky bridges makes the project unmatched amongst others at GIFT City.

GIFT City is planned on 886 acres of land with 6.2 crore sq. ft. of BUA which includes Office spaces, Residential apartments, Schools, Hospitals, Hotels, Clubs, Retail and various Recreational facilities. GIFT City is an emerging global financial and IT services hub, a first of its kind in India, designed to be at or above par with globally benchmarked CBDs. It is India's first operational Greenfield Smart City and supported by state-of-the-art infrastructure encompassing all basic urban infrastructure elements along with an excellent external connectivity. Additionally, GIFT City will have a metro station connecting it to the Ahmedabad metro network by March 2024. Companies from Financial Services, Technology and all other services sector have started occupying the city. GIFT City is changing the economic face of Gujarat and would keep India on the global map as Centre of excellence in the Financial & IT/ITeS Services domain.

The detailed review of operations is given in the Management Discussion & Analysis Report.

**Revenues Standalone and Consolidated:**

Company's Revenue from Operations on a standalone basis decreased to ₹ 101.08 lakhs as on March 2023 from ₹ 532.70 lakhs in the previous year 31 March 2022, Company's Revenue from Operations on a consolidated basis as on 31 March 2023 decreased to ₹ 101.08 lakhs from ₹ 532.70 lakhs in the previous year 31 March 2022.

**Profits Standalone:**

Your Company's EBITDA on a standalone basis as on 31 March 2023 amounted to ₹ (787.00) lakhs as against ₹ (308.28) lakhs in the previous year 31 March 2022. Project and Operations costs were 878.59 % of revenue from operations for the year ended 31 March 2023 as compared to 157.87% for the year ended 31 March 2022. The profit before tax was ₹ (557.01) lakhs as against ₹ 189.02 lakhs in the previous year. Net profit was ₹ (401.62) lakhs as against ₹ 129.02 lakhs in the previous year.

### Profits Consolidated:

Your Company's EBIDTA on a consolidated basis amounted to ₹ (786.59) lakhs as against ₹ (290.73) lakhs in the previous year. Project and Operations costs were 878.19 % of revenue from operations for the year ended 31 March 2023 as compared to 154.58 % for the year ended 31 March 2022. The Profit before tax was ₹ (561.62) lakhs as against loss of ₹ 64.84 lakhs in the previous year. Net Loss was ₹ (406.23) lakhs as against loss of ₹ 12.12 lakhs in the previous year.

### Liquidity Standalone and Consolidated:

Your Company continues to maintain sufficient cash to meet its operations as well as strategic objectives. The Board of Directors believes that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business risks. Liquidity enables your Company to make a rapid shift in direction, if there is a market demand. The Directors believe that the working capital is sufficient to meet the current requirements.

### REPORT ON PERFORMANCE OF SUBSIDIARY COMPANIES PURSUANT TO RULE 8(1) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

Your Company undertakes various businesses through subsidiaries, associates and joint ventures. As per Section 129 (3) of the Companies Act, 2013, your Directors have pleasure in attaching the consolidated financial statements prepared in accordance with the applicable accounting standards with this report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements are available at the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com). The audited financial statements of each of the subsidiary, associate and joint venture are available for inspection at the Company's registered office at Ahmedabad, India and also at registered offices of the respective companies. Copies of the annual accounts of the subsidiary, associate and joint venture will also be made available to the investors of Nila Spaces Limited upon request.

In terms of proviso to Section 129(3) and Rule 8(1) of the Companies (Accounts) Rules, 2014, statement containing the salient features; of the subsidiaries, associates and joint ventures; in the prescribed Form AOC 1 is annexed to this report as "Annexure A".

### COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES DURING THE YEAR: -

During the year under review there is no change in status of Subsidiaries, Associates or Joint Ventures of your Company.

### AMOUNT TO BE TRANSFERRED TO GENERAL RESERVES:

The Company has not transferred any amount to the General Reserve during the year under review.

### DIVIDEND:

As a matter of sound accounting practice and management philosophy, your Directors are of the opinion to make sound economic base for the Company and in order to conserve the resources; do not recommend any dividend for the year under review.

### PUBLIC DEPOSITS:

During the year under review your Company has not accepted any deposits from the public within the meaning of Section 73 and 76 of the provisions of the Companies Act, 2013.

### INSURANCE:

All the existing properties of the Company are adequately insured.

### DIRECTORATE:

- During the year, Mr. Rahul Vohera has resigned as the Chief Financial Officer of the Company w.e.f. 15 November 2022. Subsequently Mr. Prashant H Sarkhedi was appointed as the Chief Financial Officer of the Company w.e.f. 13 May 2023.

- Further, shareholder approval was taken vide Postal Ballot Notice dated 30 December 2022 for reappointment of Mr. Jasvinder Singh Rana (DIN: 01749361) for a second term of 1 (One) year w.e.f. 12 October 2022 and Mr. Anand B Patel (DIN: 07272892) as the Managing Director for period of 3 (Three) years w.e.f. 18 October 2022.
- Mr. Deep S Vadodaria and Mr. Prashant H Sarkhedi were appointed as Whole Time Directors for a term of 3 years with effect from 13 May 2023.
- Further, upon change in terms of appointment Mr. Anand B Patel is re-designated as Non-Executive Director of the Company w.e.f 13 May 2023.
- Ms. Rajal B Mehta was appointed as Non-Executive Independent Director of the Company for a second term of 5 years with effect from 19 July 2023.
- As per the provisions of Section 203 of the Companies Act, 2013, Mr. Prashant H Sarkhedi and Mr. Deep S Vadodaria being appointed as Whole Time Director and Ms. Gopi V Dave – Company Secretary are the Key Managerial Personnel of the Company.
- Pursuant to Section 152 of the Companies Act, 2013, Mr. Anand Patel (DIN: 07272892) Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment.
- Necessary resolutions for the reappointment of the aforesaid Directors have been included in the Notice convening the ensuing Annual General Meeting and details of the proposal, rational, justification and performance evaluation report, in terms of applicable Secretarial Standard on General Meeting (SS-2), for the re-appointment of Directors are mentioned in the explanatory statement of the Notice.
- All the Directors have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

#### **Statement regarding opinion of the Board with regard to appointment of Independent Director during the year:**

In the opinion of the Board, the Independent Directors possess highest level of integrity, rich experience and requisite expertise in relevant area. With regard to proficiency, Mr. Jasvinder S Rana (DIN: 01749361) is exempt from the requirement of online proficiency self-assessment test. All other Independent Directors have cleared the test in due course of time.

#### **Declaration given by Independent Director:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 read with 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that there has been no change in the circumstances which may affect their status as an Independent Director and the same has been noted by the Board. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

#### **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Circular date 10 May 2018; an annual performance evaluation of the members of the board of its own individually and working of various committees of the board was carried out. Further, in a separate meeting of the Independent Directors held on 23 January 2023 without presence of other Directors and management, the Independent Directors had, based on various criteria, evaluated performance of the Chairman and performance of the other members of the board. The manner in which the performance evaluation was carried out has been explained in the Corporate Governance Report annexed with this report.

#### **BOARD AND COMMITTEE MEETINGS:**

During the year under review 4 (Four) Board Meetings, 4 (Four) Audit Committee Meetings, 1 (One) Nomination and Remuneration Committee Meeting and 1 (One) Stakeholder Relationship Committee Meeting were held. The details of the meetings are given in the Corporate Governance Report as a part to the Boards' Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.



## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The Directors have laid down an adequate system of internal financial controls to be followed by the Company and such internal financial controls are adequate and operating efficiently; and
- f) The Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **REPORTING OF FRAUDS:**

During the year under review there was no instance of any fraud reported by any auditor to the audit committee or the board.

## **ALTERATION OF MEMORANDUM AND ARTICLE OF ASSOCIATION:**

During the year under review, there has been no change in the clauses of Memorandum of Association and Articles of Association of the Company.

## **SHARE CAPITAL:**

There is no change in share capital of the Company. Presently the paid up capital of the Company is ₹39,38,89,200 comprising of 393889200 equity shares of ₹1/- each.

## **UNCLAIMED DIVIDEND AND UNCLAIMED SHARES:**

There is no unclaimed or unpaid amount of dividend with the Company.

The corresponding equity shares of the Company issued and allotted pursuant to the scheme of demerger to the shareholders of Nila Infrastructures Limited; whose equity shares of Nila Infrastructures Limited have been, in accordance with Section 124 of the Companies Act, 2013 and rules made there under transferred to and lying with the IEPF authority; have also been credited to the designated IEPF account of the Government.

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Company has implemented the procedure and adopted practices in conformity with the code of Corporate Governance as enumerated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The management discussion & analysis and corporate governance report are made part of this report. A certificate from the Practicing Company Secretary regarding compliance of the conditions of corporate governance is given in annexure, which is attached hereto and forms part of the Directors' report.

## **STATUTORY AUDITORS AND AUDITORS' REPORT:**

M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants (FRN: 102511W/W100298) were appointed at the 19<sup>th</sup> Annual General Meeting held on 27 September 2019 as Statutory Auditors of the Company to hold the office till the conclusion of 24<sup>th</sup> Annual General Meeting of the Company.

The report of the statutory auditor is given in this annual report. There is no qualification, reservation or any adverse remark or disclaimer in the audit report of M/s. Dhirubhai Shah & Co. LLP.

#### **COST AUDIT:**

As per the requirement of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company maintains Cost Records, however, appointment of cost auditor and cost audit is not applicable to your Company for the year under review.

#### **SECRETARIAL AUDITOR'S REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board of Directors have appointed M/s Umesh Ved & Associates, Practicing Company Secretary, Ahmedabad as the secretarial auditor of the Company to conduct secretarial audit for the year 2022-23. The report of the Secretarial Auditor is annexed herewith as **"Annexure C"**. The report of the secretarial auditor is self-explanatory and confirming compliance by the Company of all the provisions of applicable corporate laws.

Pursuant to the SEBI circular dated 8 February 2019, the company has obtained an Annual Secretarial Compliance Report from M/s. Umesh Ved & Associates, Practicing Company Secretary.

#### **AUDIT COMMITTEE:**

The Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, reviewed the financial results and financial statements, audit process, internal control system, scope of internal audit and compliance of related regulations as prescribed. The Composition and terms of reference of the audit committee is more specifically given in the Corporate Governance Report as a part of the Board's Report.

#### **VIGIL MECHANISAM (WHISTLE BLOWER POLICY):**

The company has established Vigil Mechanism (Whistle Blower Policy) in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The detail of the Whistle Blower Mechanism is explained in the Corporate Governance Report and the policy adopted is available on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

#### **DISCLOSURE IN TERMS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an anti-sexual harassment policy and internal compliant committee in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. There is no such instance reported during the year under review nor any compliant is pending at the end of the year.

#### **MONITORING AND PREVENTION OF INSIDER TRADING:**

In terms of the Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; the Company has adopted revised Code of Conduct prohibiting, regulating and monitoring the dealings in the securities of the Company by Insiders and Designated Persons while in possession of unpublished price sensitive information in relation to the securities of the Company. The code of conduct is available at the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment. The Company has also in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015; put in place institutional mechanism for prevention of insider trading. The audit committee on yearly basis review the compliances made under the regulation as well as the effectiveness of the internal control system to monitor and prevent insider trading. The Company has developed and implemented a digital database to record all unpublished price sensitive information as required under SEBI PIT Regulations.

#### **STATUTORY DISCLOSURES REQUIRED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:**

There has been no foreign currency inflow or outflow for the period under review other than designing charges paid for the ongoing project. Conservation of energy has always been of immense importance to your Company and all the equipment consuming energy have been placed under continuous and strict monitoring. In view of the nature of the

operations, no report on the other matters is required to be made under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

#### **RISK MANAGEMENT POLICY:**

The Risk Management Policy of your company comprises to identify various risks associated with the business activities of the Company and managing the risks in a proactive and efficient manner. Your Company has robust risk management process involving periodic assessment of various risks and mitigating remedies. Various risks and mitigating remedies are more specifically discussed in MDA report as a part of the board report.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT MADE BY THE COMPANY DURING THE YEAR:**

As regards investments by the Company, the details of the same are provided under Note No 6 forming part of the financial statements of the Company for the financial year 2022-23. Details of loans given to other persons covered under Section 186 of the Companies Act, 2013 are given in the Note No 28 relating to related parties to the financial statements.

#### **RELATED PARTY TRANSACTIONS:**

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 the Company has adopted policy on dealing with related party transactions. All related party transactions that were entered into by the Company during the financial year were in the ordinary course of business and were at arm's length basis. There is no material significant related party transaction made by the Company with its Directors, Promoters, Key Managerial Personnel or their relative in terms of Section 188 of the Companies Act 2013 and rules made thereunder. All Related Party Transactions are placed before the audit committee / Board, as applicable, for their approval. Omnibus approval is taken for the transactions which are of repetitive in nature. The Related Party Transactions that were entered into by the Company were to facilitate smooth functioning of the ordinary course of business and are in the interest of the Company. The Disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act 2023 in Form AOC-2 is given in **"Annexure D"**.

The policy on related party transactions as approved by the Board is available on the website of the company [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

Disclosures of transactions with related parties in terms of Schedule V read with Regulation 34(3) and 53(f) of SEBI (Listing Obligations Disclosure Requirements) Regulations 2015 as amended is given in Note No 28 of the Notes to the Financial Statements.

#### **INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL:**

The Board of Directors has in terms of the requirements of Section 134(5)(e) of the Companies Act, 2013 laid down the internal financial controls. The Company has in place a well-defined organizational structure and adequate internal controls for efficient operations, which is cognizant of applicable laws and regulations, particularly those related to protection of properties, resources and assets, and the accurate reporting of financial transactions in the financial statements. The company continuously upgrades these systems. The internal control system is supplemented by extensive internal audits, conducted by independent firm of chartered accountants M/s M P Doshi & Associates.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The provision of the Corporate Social Responsibility as laid down under Section 135 of the Companies Act, 2013 were not applicable to by the company. Therefore, no corporate social activities were required to be undertaken.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Nomination and Remuneration Committee and adopted policy on appointment and remuneration of Directors and Key Managerial Personnel. The composition, terms of reference of the Committee are given in the Corporate Governance Report as a part to the Boards' Report. The said policy is also available at the website of the company at [www.nilaspaces.com](http://www.nilaspaces.com) under the investor segment.

#### **MATERIAL CHANGES:**

No material change has taken place after 31 March 2023 and till the date of this report.



**EMPLOYEES:**

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**PARTICULARS OF EMPLOYEES:**

The information as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of the provisions of Section 136(1) of the Companies Act, 2013, the annual report and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the registered office of the company during business hours on any working day of the Company up to the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard. Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the "Annexure B" to this report.

**COMPLIANCE WITH REVISED SECRETARIAL STANDARDS:**

The Company has complied with applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

**COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS:**

In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards IND AS.

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:**

Your Company does not fall within the Top1000 Companies by market capitalization at the stock exchanges i.e BSE Limited and National Stock Exchange of India Ltd. during the financial year 2022-23 and previous financial year 2021-22 and therefore in terms of SEBI Circular dated 10 May 2021; the requirement of filing and publishing Business Responsibility and Sustainability Report is not applicable to your Company.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS:**

There is no significant and material order passed by any regulator or court or tribunal during the year under review.

**DETAILS OF APPLICATION MADE OR PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016:**

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency Bankruptcy Code 2016.

**DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS:**

During year under review, there has been no one time settlement of Loans taken from Banks and Financial Institutions.

**ANNUAL RETURN:**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return is placed on the website of the Company and can be accessed at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

## APPRECIATIONS AND ACKNOWLEDGMENTS:

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees although during the difficult times of COVID19 Pandemic, have enabled the Company to become a meaningful player in the industry. Your Directors would also like to place on record its appreciation for the support and cooperation your Company has been receiving from its Stakeholders, Corporations, Government Authorities, Joint Venture partners and others associated with the Company. The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Financial Institutions, Government and Regulatory Authorities and Stock Exchanges, for their continued support. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Consultants and Advisors. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be the Company's endeavour to build and nurture strong links with the business based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests. Your Directors would like to express their thanks to the Government of India for their efforts put in place to curb the pandemic and support the economy of the nation.

For and on behalf of the Board of Directors of  
**Nila Spaces Limited**

Place: Ahmedabad  
Date: 13 May 2023

Jasvinder S Rana  
Chairman  
DIN: 01749361

# ANNEXURE A:

## FORM AOC-1:

### STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARY COMPANY, ASSOCIATE COMPANY AND JOINT VENTURE

Pursuant to Section 129(3) of the Companies Act, 2013 (Disclosure in respect of Subsidiaries, Joint Ventures and Associate) read with Rule 5 of the Companies (Accounts) Rules, 2014.

a) Statement containing salient features of the financial statements of subsidiary company: Not Applicable as there is no Subsidiary Company of the Company.

1. Names of Subsidiaries which are yet to commence operations – Not Applicable
2. Names of Subsidiaries which have been liquidated or sold during the year – Not Applicable

b) Statement containing salient features of the financial statements of associate companies and joint ventures  
(₹ in lakhs)

SN	Name of Associate Companies	Mega City Cine Mall Private Limited
1.	Latest audited Balance Sheet Date	31 March 2023
2.	Shares of associates and Joint Ventures held by company on the year end	
	i. Number of Shares	233750
	ii. Amount of Investment	222.06
	iii. Extend of Holding %	42.5%
3.	Description of how there is significant influence	By holding more than 20% of Voting Power
4.	Reason why the associate / joint venture is not consolidated	Not Applicable
5.	Net worth attributable to shareholding as per latest audited balance sheet	(235.10)
6.	Profit/Loss for the year	(10.86)
	i. Considered in consolidation	(4.62)
	ii. Not considered in consolidation	(6.24)

(₹ in lakhs)

SN	Name of Joint Ventures	Nila Projects LLP
1.	Latest Balance Sheet Date	31 March 2023
2.	Shares of associates and Joint Ventures held by company on the year end	
	i. Number of Shares	NA
	ii. Amount of Investment	1316.86
	iii. Extend of Holding %	99.97%
3.	Description of how there is significant influence	By Contractual Agreement
4.	Reason why the associate / joint venture is not consolidated	Not applicable
5.	Net Worth attributable to shareholding as per latest audited balance sheet	1317.55
6.	Profit/Loss for the year	
	i Considered in consolidation	(0.41)
	ii Not considered in consolidation	(0.41)

\*Profit/Loss of the LLP is consider in accordance with the Profit Sharing Ratio of the partners

1. Names of associates or joint ventures which are yet to commence operations – Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year – Not Applicable

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants

Firm's Registration No: 102511W/W100298

Parth S Dadawala  
Partner  
Membership No: 134475

Place : Ahmedabad  
Date : 13 May 2023

**For and on behalf of the Board of Directors of  
Nila Spaces Limited**

CIN No. :L45100GJ2000PLC083204

Jasvinder S Rana  
Chairman  
DIN : 01749361

Prashant Sarkhedi  
Chief Financial Officer

Place : Ahmedabad  
Date : 13 May 2023

Anand B Patel  
Managing Director  
DIN : 07272892

Gopi V Dave  
Company Secretary

Place : Ahmedabad  
Date : 13 May 2023



# ANNEXURE B:

## REMUNERATION DETAILS

**PART: 1 [Pursuant to section 197(12) of the Companies Act, 2013 and Rule No. 5 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**1. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

The median remuneration of the employees of the Company as on 31 March 2023 is ₹ 3,63,600/- per annum and the ratio of remuneration of each Director to this median remuneration is as under.

Name of the Director	Ratio of each Director to the median remuneration of the employee
Deep S Vadodaria	N.A.
Prashant H Sarkhedi	N.A.
Jasvinder S Rana	N.A.
Rajal B Mehta	N.A.
Anand B Patel	9.9 : 1
Shrinjay S Joshi	N.A.

**2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2022-23:**

During the year the remuneration of the Director, Company Secretary and Chief Financial Officer increased by 20 %.

**3. The percentage increase in the median remuneration of employees in the financial year:**

The median remuneration of employees was ₹ 3,63,600 per annum and ₹ 3,36,000 per annum as on 31 March 2023 and 31 March 2022 respectively. There is increase of 8.21 % in the median remuneration of employees during the year.

**4. The number of permanent employees on the roll of Company: 24 as on 31 March 2023.**

**5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

There is no increase in the remuneration of managerial personnel and employees of the Company during the year except as stated herein above in Sr No 2.

**6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is confirmed that the remuneration paid to the Directors and Key Managerial Personnel are as per the Remuneration Policy of the Company.

Note:

- Independent Directors of the Company are paid only sitting fees as per the statutory provisions during the year under review. The ratio of remuneration and percentage increase for Independent Directors is therefore not considered for the aforesaid purpose. The details of sitting fees of Independent Directors are provided in the Corporate Governance Report.
- Employees for the aforesaid purpose include all on roll employees of the Company.

## ANNEXURE C:

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2023  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**To,  
The Members,  
NILA SPACES LIMITED**  
1st Floor, Sambhaav House,  
Opp. Chief Justice Bunglow,  
Bodakdev, Ahmedabad – 380015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nila Spaces Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit year covering the year ended on 31 March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (vi) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period) and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

The list of major head/groups of Acts/ Laws and Regulations as applicable to the Company is as under:

- Transfer of Property Act, 1882;
  - Registration Act, 1882;
  - The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
  - The Land Acquisition Act, 1894;
  - Real Estate Regulation Act, 2017,
  - Income Tax Act, 1961 and rules made there under;
  - The Central Goods and Services Tax Act, 2017 & Gujarat Goods and Services Tax Act, 2017 and rules made there under;
  - Payment of Gratuity Act, 1972 and rules made there under;
  - Employee State Insurance Act, 1948 and rules made there under;
  - Minimum Wages Act, 1948 and rules made there under;
  - Payment of Bonus Act, 1965 and rules made there under,
  - The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
  - The Gujarat Town Planning and Urban Development Act, 1976
  - The Environment (Protection) Act, 1986
  - The Gujarat Land Revenue Code, 1879
  - The Gujarat Tenancy & Agricultural Lands Act, 1948
  - The Indian Stamp Act, 1899
  - The Gujarat Stamp Act, 1958
  - The Gujarat Ownership Flats Act, 1973
  - The Indian Contract Act, 1872
  - The Gujarat Shops and Establishments Act, 1948
  - The Contract Labour (Regulation and Abolition) Act, 1970
  - Gujarat Real Estate (Regulation and Development) General Rules, 2017
  - GIFT Area Development Control Regulations
- (vi) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

- 1. Few forms required to be filed under the Companies Act 2013 are filed late with additional fees;

**We further report that:**

Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions in the Board is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period the Company has no specific events/actions having a major bearing on the Companies Affairs in pursuant of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

- 1. During the year the Company has passed special resolutions to ratify appointment / reappointment of Mr. Jasvinder S. Rana – Independent Director and Mr. Anand Patel – Managing Director vide Postal Ballot Notice dated 18 October 2022.
- 2. Mr. Rahul Vohera has resigned as Chief Financial Officer (key managerial personnel) w.e.f 15 November 2022. No appointment has been made till 31 March 2023 to fill the vacancy.

Place : Ahmedabad  
Date : 13 May 2023

Umesh Ved  
Umesh Ved & Associates  
Company Secretaries  
FCS No.: 4411  
C.P. No.: 2924  
Peer Review No. 766/2020  
UDIN: F004411E000303481



To,  
The Members,  
**NILA SPACES LIMITED**  
1st Floor, Sambhaav House, Opp. Chief Justice Bungalow,  
Bodakdev, Ahmedabad – 380015

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Ahmedabad  
Date : 13 May 2023

Umesh Ved  
Umesh Ved & Associates  
Company Secretaries  
FCS No.: 4411  
C.P. No.: 2924  
Peer Review No. 766/2020  
UDIN: F004411E000303481

## ANNEXURE D:

### Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of Contracts / Arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including value, if any	Justification for entering into such contracts/ arrangements/ transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NIL								

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transaction including value, if any	Date(s) of approval by the Board and Audit Committee, if Any	Amount paid as advances, if any	Date on which shareholders resolution was passed in general meeting u/s 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Nila Infrastructures Limited Common promoter shareholders holding more than 2% voting power in both the Companies and have significant influence over the entities.	Agreement to sale for land or land development rights	Long term land arrangement	As per Note 1	18 May 2022	4.30 Crore	31 August 2022
	Note 1	The agreement for sale is towards long term land arrangement for the purpose of business of the Company for a value as have been decided by the registered valuer. The arrangement is entered into based on prevailing industry practices for land transactions.					

For and on behalf of the Board of Directors of  
**Nila Spaces Limited**

Place: Ahmedabad  
Date: 13 May 2023

Jasvinder S Rana  
Chairman  
DIN: 01749361

# Management Discussion and Analysis

## THE ECONOMIC SCENARIO:

The global economy has been reeling under the impact of numerous challenges over the past years, including geopolitical conflicts and rising inflationary pressures, as well as the resurgence of COVID in China, which have lowered growth prospects. However, China's recent border openings are setting the stage for a faster-than-expected recovery.

According to the International Monetary Fund's latest estimates, the global GDP growth rate is expected to be 3.4% in CY22, indicating sheer resilience towards recessionary fears. Notwithstanding these headwinds, supply chain disruptions have been widespread. Additionally, geopolitical conflicts have caused crude oil prices to climb, adversely affecting global trade and exacerbating inflationary pressures. In response, Central Banks worldwide, including the US Federal Reserve, have raised rates in a synchronized manner to curb sticky inflation. The International Monetary Fund has recently projected that global growth will experience a slowdown to 2.9% in CY23 but is expected to recover and increase by 3.0% in CY24. A stronger boost from pent-up demand in numerous economies or a sharp decline in inflation is anticipated in the course of 2023. The governments and central banks of the world are expected to play a major role in accelerating economic growth through targeted, need-based measures.

If we look at performances of major economies globally, USA reported GDP growth of 2.1% in 2022 as compared to 5.9% in 2021. China – the second largest economy is expected to contract GDP growth from 8% to 3% in 2022. UK is expected to contract GDP growth from 4.1% in 2022 in comparison to 7.6% in 2021. Japan reported growth of 1.7% in 2022 compared to 1.6% in 2021. Germany reported growth of 1.8% in 2022 as compared to 2.6% in 2021. Thus the global economies continue to remain in a volatile state. Global growth is slowing sharply in the face of reduced investments, elevated inflation and interest rates, along with the consequent supply chain disruptions caused by Russia Ukraine crisis. Additionally, there are fresh headwinds from the banking sector in some advanced economies. OPEC+ is expected to manage the oil supplies in a manner which keeps the oil prices elevated. Uncertainty about the course of the war in Ukraine and its consequences will continue to persist in the near future. The Middle East region is expected to maintain higher investment outlays, and besides oil, the region is also diversifying into clean energy and other industrial sectors.

In this scenario, localization trends, possible rearrangement of the global supply chain and the consequent shift in export hubs and de-carbonization objectives are all factors which are working in favour of India to become the world's third-largest economy by 2030

## THE INDUSTRY SCENARIO:

Increasing usage of Artificial Intelligence, Machine Learning, Analytics, Automation and digital are several technological advancements which are definitely shape the Real Estate Industry in years to come. The real estate industry is under transformation phase due to the increased usage of advance technology and automation. AI in real estate can take many forms. It encompasses analytics that inform investing and decision making as well as automations that help professionals throughout the industry provide an optimal customer experience.

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The real estate market in India is highly fragmented in nature, with multiple players operating in the market. Higher competition among market players is impacting selling prices and land prices, further leading to oversupply in the market. Furthermore, the market is dominated by a few Pan-India branded players and multiple local players. The real estate is the second largest sector in the country after agriculture in terms of providing employment opportunities. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. As envisaged Real estate sector in India is expected to reach a market size of ₹ 65,000 crore by 2040 from ₹ 12,000 crore in 2019. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. The growth of the real estate market in the country is supported by increasing industrial activities, rapid urbanization, and improved income levels. This is further contributing to the economy of the country. The recent key policy initiatives e.g. the Real Estate Regulatory Act (RERA) and the Benami Transactions Act are contributing to the development of the real estate sector. The government is also providing a boost to affordable housing construction, interest subsidy for home buyers, service tax exemption, Dividend Distribution Tax (DDT) exemption, PR for foreign investors, etc.

The Real Estate Sector continued to be in very peculiar situation in FY2022 and FY2023. In light of the situation; which was created by COVID-19, the persisting liquidity crunch of sector had worsened and various restrictions imposed by

the Indian Government to curb the pandemic had led to a temporary halt in ongoing real estate projects. This had a domino effect w.r.t. the large scale reverse migration of labourers and disruption in supply chain of materials. While one would assume the pandemic has bought about a standstill in buying of houses on the contrary with companies declaring “Work From Home” or a blended work from home situation, had led to homebuyers buying their own space or a bigger space. Demand for townships with a range of amenities has accelerated after COVID-19 emphasised the importance of having amenities within your project. This may include amenities ranging from a swimming pool to an office center. Availing of cheap home Loans, lucrative payment plans, attractive prices coupled favorable government reforms the sector has seen an increase in home buying activity especially in places where buyers are able to avail taxation benefits. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

Major developers are focusing on affordable and mid-range housing units to meet increasing demand in the country. Moreover, the growth is driven by various factors such as rapid urbanization, a rise in the number of nuclear families, easy availability of home loans, etc.

Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies. Below are some of the other major Government initiatives:

- Under Union Budget 2022-23, tax deduction up to ₹ 1.5 lakh on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2022-23.
- In order to revive around 1,600 stalled housing projects across top cities in the country, the Union Cabinet has approved the setting up of ₹ 25,000 crore alternative investment fund (AIF).
- Government has created an Affordable Housing Fund in the National Housing Bank with an initial corpus of ₹ 10,000 crore using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which has allowed all kind of investors to invest in the Indian real estate market. India currently has three REITs listed with SEBI viz. : Embassy REIT (started in 2017), Brookfield REIT (commenced in 2019), and Mindspace REIT (began in 2020). All three of them are listed and traded on both the BSE and the NSE. It would create an opportunity worth ₹ 1,25,000 crore in the Indian market in the coming years. First REIT launched by global investment firm Blackstone and realty firm Embassy group successfully rose ₹ 4,750 crore. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

## THE COMPANY:

Your Company's strategic focus remains steadfast in capitalizing on the burgeoning opportunities within the dynamic real estate sector. Leveraging the Company's extensive experience in successfully executing affordable housing projects, a substantial gap has been identified in emerging market segments characterized by evolving lifestyle preferences and the integration of technology. These segments encompass shared living spaces such as co-living arrangements, co-working environments, and service apartments, among others. The primary objective of your Company is to meet the evolving demands stemming from shifting societal norms and technological advancements. While continuing to harness the core strength in delivering affordable housing solutions and equally committing to shaping the future of urban living. This strategic diversification of the Company aligns with the overarching goal not only by addressing the contemporary needs of our customers but also by anticipating and adapting to the changing landscape of urban life.

Although not mandatorily applicable under the law; ESG is an integral part of almost every thought while undertaking business operations. We believe Environment – Sustainability – Governance is arguably the most important dimension of every economic activity across the globe. The Company has established robust Governance Framework ensuring transparency, accountability and ethical behaviour. On Environment & Sustainability front the Company takes utmost care to minimise the usage of things which emission carbon. The Company already started taking steps even to gather carbon credit and audit by independent firm to ensure minimum carbon emission through the project executions.

Your Company is actively seeking to grab the available opportunities in these areas and in fact have partnered with prominent player in co working business. Your Company foresee huge business prospects in these unique segment because of increasing attraction and digitization of businesses.



Your company is focusing on creating such platforms that allows people to invest in properties with smaller amounts of capital such as studio units that small, self-contained units with a combined living and sleeping area and Fractional Ownership Units where individuals collectively owns a single asset. Further Company is also working in the direction of embracing blockchain technology to facilitate fractional ownership, streamline transactions and enhance security in real estate.

Real estate provides housing for individuals and families, addressing one of the most fundamental human needs. Meeting the demand for various types of housing, from affordable housing to luxury residences, is crucial for creating vibrant and inclusive communities. To unlock the full potential of real estate, collaboration among various stakeholders including governments, developers, investors, and communities is essential. Your Company's Strategies focuses on sustainable development, inclusivity, innovation, and long-term value creation for both residents and society as a whole.

### **BUSINESS ENDEAVOUR EVALUATION:**

Your Company's comprehensive evaluation of opportunities includes the following parameters:

- Market: Local economic conditions, demand-supply outlook, interest/inflation rate scenario, etc.
- Pre-development: Financing flexibility to fund the early design work, community/political participation/opposition, government stability over the life of the project, environmental problems, site selection and regulatory approval delays, land acquisition, etc.
- Finance: Commercial viability of the project, capacity of the lender to evaluate and speed in providing the credit lines, repayment mechanism, credit availability on viable terms, etc.
- Construction: Viability of the design/technology, availability of labour and raw-material, outlook of raw-material cost, contractor failure, developer's access to funds on a timely basis for construction, etc.

Throughout this process, your Company has to identify and mitigate inherent risks that can adversely affect the project. It is broadly evaluated in three parts: 1) preliminary considerations, market analysis, financial analysis, and strategic marketing; 2) site selection and due diligence, land acquisition, deal structure, entitlements, permissions, etc.; and 3) planning and design, construction management, operations and property management. Hence, with sufficient due-diligence the project is selected and execution is carried-out accordingly by your Company.

### **FINANCIAL RESOURCES:**

The foremost source of finance of your Company has traditionally been internal accruals and borrowings from banks. However, at present your Company is totally debt-free. Your Company deems it sufficient to address the ongoing business endeavors.

### **ABOUT RESIDENTIAL PROJECT VIDA:**

The VIDA residential project in GIFT City blends urban living and sophistication, catering to modern professionals with luxury, technology, and a focus on consumer experience. It stands out by using virtual reality to showcase its offerings, departing from traditional real estate methods. Nestled in GIFT City's financial hub, VIDA offers various apartment options with contemporary designs, green bridges, rooftop terraces, and a vertical green facade. Nila Spaces collaborates with Blocher Partners India to redefine urban living, emphasizing spacious homes, modern amenities, and community spaces inspired by natural patterns. Members enjoy bespoke concierge services through 'Quintessentially,' along with upscale solutions like an Automated Waste Collection System and an exclusive sky park with a jogging track. VIDA represents the real estate industry's technological expansion, with future innovations like 3D printing, IoT, 5G integration, and a focus on environmental, social, and governance (ESG) aspects.

### **JOINT VENTURES:**

In order to share risk and cost, experience and expertise your Company develops certain projects in association with other and has formed associates and joint ventures. This provides a larger scale to your Company to work on specific operations. Your Company looks upon them as partners in its progress and shares with them the rewards of growth. It is your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests.

### **SEGEMENT WISE AND FINANCIAL PERFORMANCE OF OPERATIONS:**

The entire operations of the Company constitute a single segment i.e. "Construction and Development of Building for sale and other Real Estate activities" as per Ind AS 108 "Operating Segments" specified under Section 133 of the

Companies Act 2013. The financial performance of the operations thereof may please be referred in the Director's Report section under the head "Review of Operations and Financial Performance".

### KEY FINANCIAL RATIOS:

The detailed discussion on financial performance is captured in the Directors' Report section of this Annual Report, while analysis of key ratios is furnished further.

Ratio	FY2023	FY2022	Detailed explanation
Debtor Turnover	2.99	11.07	The credit policies and collection process of your Company are satisfactory and commensurate to the industry and/or the segment it operates into. Your Company mainly deals with retail/individual buyers, who in turn would approach a bank/FI for sanction of their home-loan. The Collection process of your Company is well established. While, the debtors at 31 March 2023 have Decreased marginally as compared to 31 March 2022, the holding period has increased due to fairly less revenue as compared to previous FY. Hence, this movement in debtor turnover.
In Days	122	33	
Inventory Turnover	0.01	0.08	The overall inventory at 31 March 2023 has increase as compared to 31 March 2022; the holding period has increased due to fairly less revenue as compared to previous FY. Hence, this movement in inventory turnover.
In Days	30,393	4,499	
Interest Coverage Ratio	0.00	10.09	At 31 March 2023 your Company has become debt-free. For FY 2023, the interest Cost is zero consequent to reduction in Borrowings to zero at 31 March 2023.
Current Ratio	2.61	50.42	Current Liabilities as at 31 March 2023 has increased as compared to 31 March 2022. your Company has modest current liabilities as compared to the current assets at 31 March 2023. It could also indicate that your Company has significant ability to pay short-term obligations or those due within one year.
Debt Equity Ratio	0.00	0.00	During FY2023, your Company has no formal debt.
Operating Profit Margin	(191.44%)	19.73%	During FY 2023, due to fairly less revenue as compared to previous FY there is loss. Hence, this movement in Margin.
Net Profit Margin	(397.33%)	24.22%	During FY 2023, due to fairly less revenue as compared to previous FY there is loss. Hence, this movement in Margin.
Return on Net worth	(3.26%)	1.02%	During FY 2023, due to fairly less revenue as compared to previous FY there is loss. Hence, this movement in return on Net worth.

### OUTLOOK, OPPORTUNITIES, AND THREATS:

The biggest opportunity and threats to the Real Estate Industry, as discussed earlier, shall continue be extending usage of AI and automation. The AI is definitely going to transform the way the industry has been doing the activities i.e be it construction, planning, designing, marketing and selling and even after sales services and customer dealings.

As right to adequate housing is a basic human right as shelter is a basic human need. Provision of adequate housing is emerging as a major thrust area for Government and the government accords a very high priority to this task. With all round increase in the cost of land, building materials, labour and infrastructure, affordable housing has become a distant dream for the economically weaker, low income groups, and middle income groups. Hence, the role and intervention of the Government has become all the more important. Sustainable human development cannot be achieved without adequate & affordable housing. Affordable shelter for the masses or creation of productive and responsive housing for all is not a simple technological issue or a mere problem of finance. It is a complex amalgam of a host of factors, which need to be tackled at all levels and in a synchronized manner. Due to rapid pace of urbanization, increasing rural to urban migration and the gap between demand and supply, there is a growing requirement for shelter and related infrastructure in urban areas of the country.

Your Company predominantly focusing on reaping benefits of development at GIFT City – Gujarat. With a vision of becoming a leading global financial and technology hub, the evolution of GIFT City is an opportunity to drive reforms towards providing a thriving financial ecosystem critical to support and expand businesses. GIFT City is inclined to provide the conducive business eco-system, at par or above with leading global financial hubs. GIFT City is an emerging global financial and IT services hub a first of its kind in India, designed to be at or above par with globally benchmarked

business districts. It is supported by state-of-the-art infrastructure encompassing all basic urban infrastructure elements along with an excellent connectivity. Companies from financial services, technology and all other services sector will be targeted as potential occupants within the city.

**GIFT City has been recognized as a model for greenfield development of smart cities by Government of India's "Smart Cities - Mission Statement & Guidelines" of June 2015.**

- A Global Financial & IT Hub: with a Domestic Tariff Area & a Multi Services SEZ
- A Globally benchmarked IFSC: (International Financial Services Centre)
- Large Employment opportunities
- A Smart City: with State-of-the-Art Infrastructure
- Integrated urban development: with walk-to-work concept
- GIFT City became India's first "PLATINIUM" rated city, highest certification as greenfield smart city"

#### **Strategic advantages of having projects presences at GIFT City:**

- 20 Mins from Ahmedabad International Airport.
- 15 Mins from Nearest Railway Station.
- On the Banks of Sabarmati River.
- Along National Highway 48 (Delhi-Mumbai Industrial Corridor)
- Metro Connectivity to Ahmedabad (Approved by Govt. of Gujarat)
- 15 Mins from Bullet Train Terminus (Ahmedabad - Mumbai. approved by Govt. of India.)

#### **RISK AND CHALLENGES:**

As is typical in expanding business activities your Company has become a subject to a variety of risks, challenges, and threats. It is recognized that risks are not only inherent to any business but are also dynamic in nature. Further, the Company is susceptible to certain risks arising out of various activities undertaken in the normal course of business.

There are many constraints affecting the smooth functioning of the industry in which your Company operates. The table below provides a brief overview of the most significant risks and your company's approach to managing them.

<b>Risk</b>	<b>Explanation</b>	<b>Mitigation approach</b>
Pandemic risk	Any epidemic/pandemic can cause interruption/disruption in the execution and business	Your Company categorises Project sites into High, Medium and Low based on perception of such risk and the sites are mandated to be operated with strict adherence to the government/ HSE guidelines. Your Company focuses to ensure the health and safety of all employees, labourers, suppliers and channel partners, while initiating stringent measures to control costs and strengthen cash flows.
Health and Safety at projects	Any employee, labour, worker is hurt or killed by an accident at work.	Apart from the QMS, project execution policy/ processes, loss prevention programmes, insurance, etc. your Company ensures to initiate development and construction of the Project, only post identifying, defining and addressing all such risk propositions and dynamics. Your Company also ensure to share sufficient knowledge about such risks and imparts adequate training to all the employees, labourers, workers, so as to tackle such risks. Zero accident programs supported by proactive near miss reporting aims at the avoidance of all workplace accidents.
Health and Safety related to your Company's construction	Person or persons are hurt or injured as a result of your Company's construction failure or defect. Stability/ sturdiness of the structure is compromised.	Your Company follows strict design and validation rules for all projects, and fully adheres to stipulated requirements for safety and structural sturdiness. Your Company ensures implementation of detailed instructions of the client, Architect, Structural Engineer, PMC, etc. to ensure the fulfilment of requirements and your Company's quality standards. Your Company's overall approach to quality management assures conformance and performance to the highest level.

Risk	Explanation	Mitigation approach
Interest rate risk	Your Company's interest costs are impacted by market rates.	Your Company's liquidity and borrowing are managed by professional at Senior management level. The interest rate exposure of your Company is reduced by matching the duration of investments and borrowings.
Credit risk	The flat-buyer's ability to pay can have an impact on the financial result.	As per your Company's policy only the flat-buyer's that get loan from bank/FI/NBFC/HFC and/or who can establish sufficient assets/investments/liquidity are entertained. Receipt plan is drawn per prospective flat-buyer, and is continuously monitored.
Liquidity risk	Acceptable liquidity levels are required in order to achieve desired financial results.	Based on the networth alongwith the relevant financial-matrix, your Company is favourably placed, while in addition it has developed sufficient creditworthiness to seek financial assistance from banks.
Market risk	Your Company's competitors find ways to sell at dramatically lower cost or with better amenities.	Your Company aims to be the cost and value leader, meaning striving to innovate and bring new and increased value through the innovation to our customers while at the same time working to assure that your Company's operations are world class in terms of efficiency, cost and waste avoidance. Your Company has developed proprietary knowledge with different technologies, while the management provides highest importance to the Quality perspective to ensure long-term sustainable growth.
	Your Company's customers could be impacted by a major economic downturn.	The demand-supply gap for the subject flats at the project site is positive for short-to-long term. Your Company had done internal assessment as well as through an international property consultant of very high repute. Your Company uses market data intelligence to follow and anticipate developments – allowing proactive management of changing market conditions.

Your Company is operating in a business which is cyclic in nature and in which; the price is mainly driven by the demand and supply factors. It is not largely based on the cost of the product. Timely supply of raw material like cement, steel, bricks are essential for timely completion of the projects. Shortage of labour and raw material may delay the execution of projects of the Company. The real estate projects are capital intensive in nature. The Company's business requires long-term commitment of capital to meet the financial requirement of long-term projects. Further, timely availability of skilled and technical personnel is also one of the key challenges. Real-estate projects are mainly dependent on the economic scenarios and any adverse events affecting the whole economy may deteriorate the industry as well. Any significant change in government policy in promoting Affordable Housing could pose a threat. Further, the approval process and time for projects are generally uncertain which may delay the execution and thereby affect financials.

Your Company has in place an effective risk management mechanism to identify potential risk and its timely mitigation.

Please refer the COVID-19 section, part of this Report, for detailed comments on the affects, response, and future-readiness of your Company.

## **CORPORATE GOVERNANCE:**

Your Company's Corporate Governance philosophy is based on the total transparency, integrity, fairness, equity, accountability and commitments to the values. Your Company is committed to the best governance practices that create long term sustainable shareholder value. With the object of your Company to conduct its business in a highly professional manner and thereby enhance trust and confidence of all its stakeholders, your Company has devised a complete compliance of Corporate Governance norms. Your Company firmly believes that definite Corporate Governance leads to the optimal utilization of resources and enhances the value of the enterprise and an ethical behavior of the enterprise leads to honoring and protecting the rights of all the stakeholders. Sound Corporate Governance practices and ethical business conduct always remain at the core of your Company's value system.



The Annual Return for the FY2022 is available at the website of your Company at [www.nilaspaces.com](http://www.nilaspaces.com) under the investor segment. A separate report on Corporate Governance is provided together with a Certificate from the Practicing Company Secretary of your Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of your Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is part of this Annual Report.

#### **WORK CULTURE AND HUMAN RESOURCES:**

The management believes in team work and a corporate environment which is self-motivating. Your Company has successfully developed a work force of people over a period of time i.e. 20 Nos. at 31 March 2022. The top management is acting as the governing force in creating and maintaining the corporate work culture. The businesses that your Company engages in are primarily people-driven. Our Vision is to raise our own benchmarks with every successive endeavour and it is possible only by making every employee a fully engaged and aligned team member. Your Company continues to remain focused on reinforcing the key thrust areas i.e. being the employer of choice, building an inclusive culture, building a strong talent pipeline, building capabilities in the organization and continuing to focus on progressive employee relations policies. Accordingly, our HR policies are centered around the creation of an environment that attracts, nurtures and rewards high-caliber talent. Young engineers gain the opportunity to operate on the frontlines of technology and associate with projects of scale and complexity. We drive sustainable growth and have been instrumental in bringing in thought leadership in building strong employee relations. There is no material development in HR. Your Company continued to build on the Diversity and Inclusion agenda through building leadership capability and recognizing line managers who provide a simple, flexible and respectful work environment for their teams. Your Company is developing future leaders and having the best people practices. A structured leadership development initiative has helped to build a robust talent pipeline at all levels. Our HR organisation is well-g geared towards attraction and retention of engineering talent in an ecosystem that provides long-cycle professional development opportunities in various facets of civil urban infrastructure and caters to career building aspirations of talent at all levels.

#### **INTERNAL CONTROL SYSTEM:**

The Corporate Governance Policy guides the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its three-tiered governance structure and key functionaries involved in governance. The Code of Conduct commits management to financial and accounting policies, systems and processes. The Corporate Governance Policy and the Code of Conduct stand widely communicated across the Company at all times, and, together with the 'Strategy of Organisation', Planning & Review Processes and the Risk Management Framework provide the foundation for Internal Financial Controls with reference to your Company's Financial Statements. Such Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. These Policies are supported by the Corporate Accounting and Systems Policies that apply to the entity as a whole to implement the tenets of Corporate Governance and the Significant Accounting Policies uniformly across the Company. The Accounting Policies are reviewed and updated from time to time. These, in turn are supported by a set of divisional policies and SOPs that have been established for individual businesses. Your Company uses ERP System as a business enabler and also to maintain its Books of Account.

The SOPs in tandem with transactional controls built into the ERP Systems ensure appropriate segregation of duties, tiered approval mechanisms and maintenance of supporting records. The Information Management Policy reinforces the control environment. The systems, SOPs and controls are reviewed by divisional management and audited by Internal Audit whose findings and recommendations are reviewed by the Audit Committee and tracked through to implementation. Your Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an on-going basis. Your Company has also put in place comprehensive systems and procedural guidelines concerning other areas of business, too, like budgeting, execution, material management, quality, safety, procurement, asset management, human resources etc., which are adequate and necessary considering the size and level of operations of the Company. The management has been making constant efforts to review and upgrade existing systems and processes to gear up and meet the changing needs of the business.

# Report on Corporate Governance

[In terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

At NILASPACES we believe in adopting and adhering to the best standards of Corporate Governance to all the stakeholders. The Company's Corporate Governance is therefore based on the total transparency, integrity, fairness, equity, accountability and commitments to the values. The Company is committed to the best governance practices that create long term sustainable shareholder value. With the object of the Company to conduct its business in a highly professional manner and thereby enhance trust and confidence of all its stakeholders, the Company has devised a complete compliance of Corporate Governance norms.

We at NILASPACES firmly believe that firm Corporate Governance leads to the optimal utilization of resources and enhance the value of the enterprise and an ethical behavior of the enterprise leads to honoring and protecting the rights of all the stakeholders. Sound Corporate Governance practices and ethical business conduct always remain at the core of the NILASPACES's value system.

## 2. BOARD OF DIRECTORS

### 2.1 Composition and category of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors. At the end of the year the Board consists of six directors comprising of three non-executive independent directors including one chairman, one executive director and two other non-executive non independent directors. The appointment of three non- executive independent directors is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is one promoter group non-executive director. Out of the three independent directors there is one-woman director. There is no nominee director on the board. The Chairman of the Board is Non-Executive Director.

### 2.2 Information in the form of table setting out the skills/ expertise/ competence of the Board of Directors:

The Company operates in the business of construction and development of projects for sale. The Board has identified on the basis of recommendation of Nomination and Remuneration Committee, various skills and expertise like land acquisition and development, construction, project management and execution, business strategy and management, engineering, communication and media, strategic management, business planning and marketing, corporate affairs, financial management, corporate governance, banking, M&A, capital market, fund raising and wealth management, communication, PR, media, and brand building.

The information of skills and expertise available is as under.

Name of Director	Expertise in specific functional area identified by the Board and available
Deep S Vadodaria	Land Acquisition and Development, Construction, engineering, Project Management and Execution, Business Planning and Marketing, Strategic Management, Communication and Media.
Prashant H Sarkhedi	Corporate Affairs, Financial Management, Corporate Governance, Banking, Capital Market, Fund Raising and Wealth Management
Jasvinder S Rana	Business Planning and Marketing, Strategic Management
Anand B Patel	Construction, engineering, Project Management and Execution, Business Planning
Rajal B Mehta	Marketing, Communication, PR, Media, and Brand Building.
Shrinjay S Joshi	Financial Management, Banking, Fund Raising and Wealth Management

## 2.3 Directorships, Membership on Committees and Meetings Attended:

The Name and Category of the Directors on the Board, their Attendance at Board Meetings held during the year and at the last Annual General Meeting; and the Number of Directorships, Committee Chairmanships or Memberships and Name of the Listed Entities and category of Directorship held by them in other Companies are given below.

SN	Name of Director(s)	Category	Attendance Particulars		#Number of Directorship(s) held In other Companies	##Committee Memberships/ Chairmanships of Other Companies		Name of the Other Listed Entities and category of Directorship
			Board Meeting	Last AGM		Member	Chairman	
1	**Jasvinder S Rana	Non-Executive Chairman and Independent Director	4	Yes	-	-	-	-
2	*Deep S Vadodaria	Non-Executive Director	4	Yes	5	-	-	-
3	** Prashant H Sarkhedi	Non-Executive Director	4	Yes	2	-	-	-
4	** Anand B Patel	Executive Director	4	Yes	1	-	-	-
5	** Rajal B Mehta	Non-Executive Independent Director	4	Yes	1	-	-	-
6	** Shrinjay S Joshi	Non-Executive Independent Director	4	Yes	-	-	-	-

\*Promoter Director; \*\* Non-Promoter Director. # Excludes directorship in Nila Spaces Limited

## Committees considered are Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Environment, Health & Safety Committee in other Companies listed at BSE Limited and National Stock Exchange of India Limited excluding that of Nila Spaces Limited. Committee Membership(s) & Chairmanships are counted separately.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are director. The necessary disclosures regarding Committee positions have been made by all the Directors.

## 2.4 Independent Directors confirmation by the Board:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 2.5 Number of Independent Directorships:

As per Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the whole time director of the Company does not serve as an Independent Director in any listed entity.

## 2.6 Details of Number of Meetings of the Board of Directors held and dates on which held:

During the year total Four (4) meetings of the Board of Directors were held. The dates of the meetings are as under.

Date of Board Meeting	Board Strength	No of Present Directors
18 May 2022	6	6
19 July 2022	6	6
18 October 2022	6	6
23 January 2023	6	6

## 2.7 Disclosures of relationship between Directors inter-se:

None of the Directors of the Company are related with each other in any manner.

## 2.8 Number of shares and convertible instruments held by Non-Executive Directors:

At the end of the years Mr. Deep S Vadodaria holds 31752108 equity shares of the Company. Other than this no Non-Executive Director holds any share of the Company.

## 2.9 Performance Evaluation & Familiarization programs imparted to Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, after considering various criteria, the performance evaluation of the Board Members was carried out. Various aspects like attendance and participation at meetings, suggestions, inputs at discussions, adherence to various codes and policies, role in overall growth etc. were taken into consideration while evaluating the Board. The detailed performance evaluation framework is displayed at the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com). The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process.

The Company believes that a Board, which is well informed / familiarized with the Company, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations.

In pursuit of this, the Directors have been familiarized on a continuing basis on changes / developments corporate and industry scenario including those pertaining to statutes / legislations and economic environment, by way of presentations, board review notes, regular updates of projects and business operations, meetings etc. to enable them to take well informed and timely decisions.

The details of familiarization programs are available at the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

## 2.10 Board Diversity and Policy on Director's Appointment and Remuneration:

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, the Board has adopted a policy on 'Board Diversity', which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website [www.nilaspaces.com](http://www.nilaspaces.com).

## 2.11 Code of Conduct for the Board of Directors and Senior Management Personnel:

In Compliance with Part-D under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Board has adopted a code of conduct for the Board of Directors and senior management personnel of the Company. This code of conduct is comprehensive code which is applicable to all Directors and senior management personnel. A copy of the same has been put on the Company's website [www.nilaspaces.com](http://www.nilaspaces.com). The same code has been circulated to all the members of the Board and all senior management personnel. The compliance of the said code has been affirmed by them annually. A declaration signed by the Managing Director of the Company forms part of this Report.

### Declaration of Compliance of Code of Conduct:

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and the Senior Management Personnel and the same is available on the Company's website. I confirm that the Company has in respect of the financial year ended on 31 March 2023 received from the Senior Management Personnel of the Company and the members of the Board a declaration of compliance with Code of Conduct applicable to them.

Place : Ahmedabad  
Date : 13 May 2023

Anand B Patel  
Managing Director - DIN: 07272892

## **2.12 Board Procedure:**

Pursuant to the SEBI Laws, Stock Exchanges are being informed about the convening of the Board Meetings at least 5 clear days in advance. The agenda is prepared by the Secretarial Department in consultation with the Chief Finance Officer and Chairman of the Board. The information as required under the SEBI Regulations is made available to the Board. The agenda for the meeting of the Board and its Committees together with the appropriate supporting documents and papers are circulated well in advance of the meeting to enable the Board to take informed decisions. The Stock Exchanges are informed about the outcome of the Board Meeting as soon as the meeting concludes.

The meetings of the Board and its various Committees are generally held at the Registered Office of the Company at Ahmedabad

## **2.13 Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 23 January 2023 to review the performance of Non- Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

## **3. AUDIT COMMITTEE**

### **3.1 Composition of the Audit Committee:**

The audit committee of the Company is comprised of three directors of which two are non-executive independent directors. The chairman of the audit committee is an independent director. The constitution of the audit committee is in line with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Jasvinder S Rana is the Chairman of the committee. He possesses adequate financial accounting knowledge. Mr. Prashant H Sarkhedi and Ms. Rajal B Mehta are the other two members of the audit committee.

### **3.2 Brief Description of the terms of reference of the Audit Committee:**

The terms of reference and role of the audit committee as decided by the Board of Directors are in accordance with the provisions of Section 177 of the Companies Act, 2013 and SEBI Regulations as under:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013 Changes, if any, in accounting policies and practices and reasons for the same
  - ii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iii. Significant adjustments made in the financial statements arising out of audit findings
  - iv. Compliance with listing and other legal requirements relating to financial statements
  - v. Disclosure of any related party transactions
  - vi. Qualifications in the draft audit report



- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g. Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
- h. Approval or any subsequent modification of transactions of the company with related parties;
- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the company, wherever it is necessary;
- k. Evaluation of internal financial controls and risk management systems;
- l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n. Discussion with internal auditors of any significant findings and follow up there on;
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r. To review the functioning of the Whistle Blower Mechanism (Vigil Mechanism);
- s. Approval of appointment of CFO (i.e., the whole- time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t. To review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 atleast once in a financial year and verify the Internal Controls are adequate and operative effective.
- u. To review mechanism, code of conduct and policy framework under SEBI (Prohibition of Insider Trading) Regulations, 2015 and recommend changes.
- v. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- w. A statement of all transactions with related parties, including their basis shall be placed before the Audit Committee for formal approval / ratification with explanations where there are interested transactions.
- x. Details of material individual transactions with related parties which are not in the normal course of business shall be placed before the audit committee.
- y. The audit committee shall mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations;

- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- Statement of deviation:
- Quarterly statement of deviation (s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

### 3.3 Meetings of the Audit Committee and Attendance:

Four (4) Audit Committee meetings were held during the year on 18 May 2022, 19 July 2022, 18 October 2022 and 23 January 2023. The time gap between Audit Committee meetings was not more than 120 days.

The details of the attendance of the Members at the Meetings of Audit Committee are as under:

Name of Committee	Category	Designation	No. of Meetings during the year	
			Held	Attended
Jasvinder S Rana	Non-Executive Independent Director	Chairman	4	4
Prashant H Sarkhedi	Non-Executive Director	Member	4	4
Rajal B Mehta	Non-Executive Independent Director	Member	4	4
Shrinjay S Joshi	Non-Executive Independent Director	Member	4	4

The Statutory Auditors and Internal Auditors of the company are invited in the meeting of the Committee wherever required. The Chief Financial Officer of the Company is a regular invitee at the Meeting.

The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

Recommendations of Audit Committee have been accepted by the Board of Directors wherever/whenever given.

As prescribed under the Companies Act 2013 and SEBI Regulations, the Chairman of the audit committee was present at the 22nd Annual General Meeting of the Company held on 31 August 2022.

## 4. NOMINATION AND REMUNERATION COMMITTEE:

### 4.1 Composition of the Committee:

The Nomination and Remuneration Committee of the Company comprises of four members and all are Non-Executive Directors. Ms. Rajal B Mehta is the Chairman and Mr. Jasvinder S Rana, Mr. Shrinjay S Joshi and Mr. Prashant H Sarkhedi are the other three members of the committee. The committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 4.2 Brief Description of terms of reference of the Committee:

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in accordance with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are as follows:

- To recommend the Board in determining the appropriate size, diversity and composition of the Board;
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulate criteria for performance evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;

#### 4.3 Details of Meetings of the Nomination and Remuneration Committee and Attendance:

One (1) Nomination and Remuneration Committee meeting was held during the year on 18 October 2022. The requisite quorum was present at the meeting. The Chairman of the Nomination & remuneration Committee was present at the 22nd Annual General Meeting of the Company.

The table below provides the information of the Nomination & Remuneration Committee members:

Name of Committee Members	Category	Designation	No. of Meetings during the year	
			Held	Attended
Rajal B Mehta	Non-Executive Independent Director	Chairperson	1	1
Prashant H Sarkhedi	Non-Executive Director	Member	1	1
Jasvinder S Rana	Non-Executive Independent Director	Member	1	1
Shrinjay S Joshi	Non-Executive Independent Director	Member	1	1

#### 4.4 Performance evaluation criteria for independent directors:

The Independent Directors are being evaluated by the members of the Board of Directors other than Independent Directors on the basis of pre-defined evaluation criteria as under:

- Attendance and contribution at the Board and Committee meetings;
- Educational qualification, experience of relevant field, expertise of subjects;
- Leadership qualities, skills, behavior, understanding of business, knowledge of subjects and processes;
- Ability to participate at debates, discussions and quality of suggestions, guidance, advise;
- Traits like integrity, honesty, secrecy maintenance, etc.

## 5. REMUNERATION OF DIRECTORS

#### 5.1. Criteria for making payment to non-executive directors:

Various criteria of making payments to non-executive directors are displayed on the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

#### 5.2 Details of Remuneration paid during the year:

Disclosures with respect to remuneration and sitting fees paid to the Directors during the year is provided in the Notes to the Accounts in Note Number 28.

#### 5.3 Pecuniary Relationship or transactions with Non- Executive Directors:

During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from payment of sitting fees for attending meetings. Details of transactions with non-executive directors are disclosed in Notes to the Accounts.

## **5.4 Remuneration Policy:**

5.4.1 The Salient Features of the Nomination and Remuneration Policy of the Company constituted in terms of the provisions of the Companies Act, 2013 and as per the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 as amended from time to time is as under:

The Full Nomination and Remuneration policy is available at the website of the Company i.e. [www.nilaspaces.com](http://www.nilaspaces.com). The Nomination and Remuneration Policy of the Company Policy is divided in three parts:

**Part – A covers the matters to be dealt with and recommended by the Committee to the Board;**

**Part – B covers the appointment and nomination**

**And**

**Part – C covers remuneration and perquisites etc.**

**PART – A: Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

**The Committee shall:**

- (a) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- (b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial Personnel and Senior Management positions in accordance with the criteria laid down in this policy.
- (c) Recommend to the Board, appointment and removal of Director, KMP and Senior Management.

**PART – B: Policy for appointment and removal of Director, KMP and Senior Management**

(a) Appointment criteria and Qualifications:

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- (c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director or Manager who has attained the age of seventy years.
- (d) Provided that where any person has attained the age of seventy years and where his appointment or reappointment is approved by passing a special resolution in the General Meeting based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years. In any other case the same shall be approved by Central Government.

**(b) Term or Tenure:**

**1. Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Whole -time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

## 2. Independent Director:

- i. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.
- ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years from cessation of Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.
- iii. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and in case he is serving as a Whole-time Director of a listed company then he shall serve as Independent Director in three listed companies.

### (c) Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### (d) Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### (e) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## PART – C: Policy relating to the remuneration for the Whole-Time Director, KMP and Senior Management

### (a) General:

- i. The committee will determine and recommend to Board the remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the limits or conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made there under as amended from time to time.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director or Whole-time Director. Increments will be effective from the date mentioned in the respective resolutions in case of a Managing Director and Whole-time Director and 1st April in respect of other employees of the Company or such other date as may be determined from time to time.



- iv. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**(b) Remuneration to Whole-time Director, Managing Director/ Manager, KMP and Senior Management:**

**i. Fixed pay:**

The Managing Director/Manager, Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, superannuation or annuity fund, gratuity, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**ii. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**iii. Provisions for excess remuneration:**

If any Managing Director and Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**iv. Stock Options:**

In case, Managing Director, Whole-time Director, Company Secretary and Chief Financial Officer, are not being Promoter Director or Independent Director they shall be entitled to any stock option of the Company as qualified by the normal employees of the Company. Provided the same shall be subject to the Companies Act, 2013 and rules made there under read with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any amendment or modification thereof.

Senior Management Personnel shall be eligible for stock options as normal employees of the Company.

**(c) Remuneration to Non-Executive/ Independent Director:**

**i. Remuneration / Commission:**

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under.

**ii. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The sitting fees shall be decided by the Board of Directors of the Company at its meeting where quorum consists of disinterested directors. In case all the directors are interested, the same shall be decided by the Resolution passed by the Members of the Company.

Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**iii. Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**iv. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Stakeholders' Relationship Committee to look into the mechanism of redressal of grievances of shareholders and investors of the Company. The Stakeholders' Relationship Committee has three members comprising of three non-executive directors.

6.1 Name of the non-executive director heading the committee: Mr. Jasvinder S Rana

6.2 Name and designation of Compliance Officer: Ms. Gopi Dave, Company Secretary

6.3 Number of shareholders' complaints received so far: NIL

6.4 Number not solved to the satisfaction of shareholders: NIL

6.5 Number of pending Complaints: NIL

6.6 Meetings held during the year:

One (1) Stakeholder Relationship Committee meeting was held during the year on 23 January 2023. The Chairman of the Stakeholder Relationship Committee was present at the 22<sup>nd</sup> Annual General Meeting held on 31 August 2022.

The detail of the attendance of the Members at the meeting of Stakeholder Relationship Committee is as under:

Name of Committee Members	Category	Designation	No. of Meetings during the year	
			Held	Attended
Jasvinder S Rana	Non-Executive Independent Director	Chairman	1	1
Prashant H Sarkhedi	Non-Executive Director	Member	1	1
Rajal B Mehta	Non-Executive Independent Director	Member	1	1
Shrinjay S Joshi	Non-Executive Independent Director	Member	1	1

**7. DETAILS OF WHISTLE BLOWER POLICY (VIGIL MECHANISM)**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy or any misconduct. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The whistle Blower Policy is available at the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com).

## 8. MEANS OF COMMUNICATIONS

- 8.1 Quarterly Results: Company submits financial results on quarterly basis to the Stock Exchanges as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. The copies of quarterly results submitted to the Stock Exchanges are also available on the website of the Company at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.
- 8.2 Normally quarterly results of the Company are published in Business Standard (English) and Loksatta Jansatta (Gujarati).
- 8.3 Website of the Company: The Company's website [www.nilaspaces.com](http://www.nilaspaces.com) contains a separate dedicated section namely "Investors" where shareholders information is available. The Annual Report of the Company is also available on the website of the Company at <https://www.nilaspaces.com/investors.html> in a downloadable form.
- 8.4 Whether it also displays official news release and presentation made to institutional investors or to the analyst: Copies of press release and presentation are submitted to stock exchange prior to presentation and release made to institutional investor or to the analysts.
- 8.5 Any presentation(s) made to the institutional investors or to the analysts: Any presentation made to the institutional or/and analyst are also posted on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com).

## 9. GENERAL BODY MEETINGS

- 9.1 Location and time, where last three Annual General Meetings held:

Financial Year	Venue	Date	Time
2019-20	Through Video Conferencing / Other Audit Video Means	25 September 2020	04:00 P.M.
2020-21	Through Video Conferencing / Other Audit Video Means	24 September 2021	04:00 P.M.
2021-22	Through Video Conferencing / Other Audit Video Means	31 August 2022	04:00 P.M.

- 9.2 Special Resolution passed at last 3 Annual General Meetings:

Financial Year	Special Resolution passed
2019-20	No special resolution was passed
2020-21	No special resolution was passed
2021-22	No special resolution was passed

- 9.3 Whether any special resolution is proposed to be conducted through Postal Ballot – Details of Voting Pattern:

- a. During the year, following Special Resolutions were passed by the Company through Postal Ballot:

Particular of Resolution	Votes in Favor	Votes Against
Reappointment of Mr. Jasvinder Singh Rana (DIN: 01749361) as an Independent Director	99.98	0.02
Re-appointment of Mr. Anand B Patel (DIN: 07272892) as Managing Director	99.98	0.02

- b. The Company had appointed Mr. Umesh Ved of Umesh Ved & Associates (FCS 4411, COP 2492) Practicing Company Secretary, to act as the Scrutinizer, for conducting the Postal Ballot process for the resolutions mentioned above, in a fair and transparent manner.

- c. Procedure for Postal ballot:

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Company had issued Postal Ballot Notice

dated 18 October 2022 to the Members, seeking their consent with respect to re-appointment of Mr. Jasvinder Singh Rana (DIN: 01749361) as an Independent Director of the Company for for a second term of another 1 (One) year w.e.f. 12 October 2022 and appointment / re-appointment of Mr. Anand B Patel (DIN: 07272892) as Managing Director of the Company for another term of 3 (three) consecutive years w.e.f. 18 October 2022. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules, the Company had provided remote e-voting facility to all the Members of the Company. The Company engaged the services of National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members to cast their votes electronically.

- 9.4 Details of special resolution proposed through Postal Ballot: None of the Businesses proposed to be transacted at the ensuing 22<sup>nd</sup> Annual General Meeting requires passing of a special resolution through postal ballot.

## 10. GENERAL SHAREHOLDER INFORMATION

### 10.1 Day, Date, Time and Venue of the 23rd Annual General Meeting:

**Day and Date:** Wednesday 27 September 2023

**Time:** 04:00 P.M.

**Venue:** Through Video Conferencing

### 10.2 Financial Year: 01 April to 31 March

### 10.3 Financial Calendar: Tentative and subject to change for the financial year 2023-2024

Quarter Ending	Release of Results
30 June 2023	Mid of August 2023
30 September 2023	Mid of November 2023
31 December 2023	Mid of February 2024
31 March 2024	Last week of May 2024

### 10.4 Date of Book Closure: From 21 September 2023 to 27 September 2023

### 10.5 Dividend Payment Date: Not Applicable

### 10.6 Dividend Payment History: Not Applicable

### 10.7 Unpaid and Unclaimed Dividend: Not Applicable

### 10.8 Listing at Stock Exchanges:

Name and Address of the Stock Exchanges	Stock Code / Scrip Symbol	ISIN Number for NSDL/ CDSL (De-materialized shares)
BSE Limited 25 Floor, Phirozee Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	542231	INE00S901012
National Stock Exchange of India Limited Plot No. C/1, G Block, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	NILASPACEs	

### 10.9 Confirmation of payment of Listing Fees: The annual listing fees for the year 2022-23 and advance listing fees for the year 2023-24, to the stock exchanges where the securities of the Company are listed, has been paid in prescribed time limit.

### 10.10 Market Price Data:

The monthly high / low and the volume of the Company's shares trades at BSE Limited and the monthly high/ low of the said exchange are as under:

Month	Nila Spaces Limited			BSE Limited	
	High (₹)	Low(₹)	Volume	High (₹)	Low(₹)
April 2022	4.50	3.50	36,38,871	60,845.10	56,009.07
May 2022	4.82	2.90	54,07,273	57,184.21	52,632.48
June 2022	3.84	2.70	15,45,260	56,432.65	50,921.22
July 2022	3.52	2.77	13,94,21	57,619.27	52,094.25
August 2022	3.31	2.79	27,28,000	60,411.20	57,367.47
September 2022	4.29	3.01	83,76,277	60,676.12	56,147.23
October 2022	3.90	3.01	39,07,939	60,786.70	56,683.40
November 2022	3.95	3.20	19,53,797	63,303.01	60,425.47
December 2022	4.39	3.26	47,70,431	63,583.07	59,754.10
January 2023	3.68	3.04	18,28,791	61,343.96	58,699.20
February 2023	3.32	2.50	13,71,831	61,682.25	58,795.97
March 2023	3.14	2.48	29,00,973	60,498.48	57,084.91

The monthly high / low and the volume of the Company's shares trades at National Stock Exchange of India Limited and the monthly high/low of the said exchange are as under:

Month	Nila Spaces Limited			National Stock Exchange of India Limited	
	High (₹)	Low(₹)	Volume	High (₹)	Low(₹)
April 2022	4.40	3.50	85,57,000	18,114.65	16,824.70
May 2022	4.80	2.95	1,12,71,000	17,132.85	15,735.75
June 2022	3.85	2.70	38,38,000	16,793.85	15,183.40
July 2022	3.45	2.75	38,15,000	17,172.80	15,511.05
August 2022	3.30	2.80	64,42,000	17,992.20	17,154.80
September 2022	4.30	3.00	1,34,53,000	18,096.15	16,747.70
October 2022	3.95	3.00	47,44,000	18,022.80	16,855.55
November 2022	3.90	3.25	41,16,000	18,816.05	17,959.20
December 2022	4.40	3.30	56,41,000	18,887.60	17,774.25
January 2023	3.65	3.00	43,26,000	18,251.95	17,405.55
February 2023	3.35	2.50	36,41,000	18,134.75	17,255.20
March 2023	3.15	2.50	50,83,000	17,799.95	16,828.35

**10.11 In case the securities are suspended from trading; the Directors' Report shall explain the reason thereof:** Not Applicable

### 10.12 Registrar to an issue and Share Transfer Agent:

#### ***M/s MCS Share Transfer Agent Limited***

201, Second Floor, Shatdal Complex, Opp. Bata Show Room; Ashram Road, Ahmedabad – 380 009

Email: mcsstaahmd@gmail.com | Website: www.mcsregistrars.com

Tel No. +91 79 2658 0461 / 62 / 63, Fax No. +91 79 2658 1296

**10.13 Share Transfer System:** The powers of transfer and transmission of shares of the company have been delegated to the RTA of the Company M/s MCS Share Transfer Agent Limited, Ahmedabad. The RTA within time limit prescribed under the law approves and registers the transfer lodged by the investors.

In terms of SEBI PR No. 12/2019, the shares of the Company are transferable only on dematerialized mode.

**10.14 Distribution of shareholding as on 31 March 2023:**

Shareholding of nominal value of			Number of Holder		Number of Shares	
			Nos	% of total	Nos	% of total
1	-	500	31393	60.63	5075868	01.29
501	-	1000	8800	16.99	8027734	02.04
1001	-	2000	4440	08.57	7404512	01.88
2001	-	3000	1905	03.68	5096088	01.29
3001	-	4000	823	01.59	3042744	00.77
4001	-	5000	1298	02.51	6349974	01.61
5001	-	10000	1650	03.19	13203561	03.35
10001	-	50000	1216	02.35	25965300	06.59
50001	-	100000	140	00.27	10179468	02.58
100001 and Above			115	00.22	309543951	78.60
<b>Total</b>			<b>51780</b>	<b>100.00</b>	<b>393889200</b>	<b>100.00</b>

**10.15 Shareholding Pattern as on 31 March 2023:**

Category	No. of shares held	% of total share capital
Promoters' Holding	243825187	61.90
Public holding		
Institutions and Bodies Corporate	21743596	5.53
Individuals	110266794	28.00
HUF	7879191	1.57
Non Resident Indians	6206332	2.00
IEPF	3968100	1.00
<b>Total</b>	<b>393889200</b>	<b>100.00</b>

**10.16 Lock in Shares:**

There are no shares under lock-in as on 31 March 2023.

**10.17 Share Capital Evolution:**

Date of Issue/ Allotment	No. of shares Alloted	Issue Price per share (₹ )	Distinctive Num-bers	Type of Issue	Cumulative capital (No of shares)
03 May 2000	70	10	1-70	Subscribers to the Memorandum and Articles of Association	70
05 December 2002	49930	10	71 - 49930	Right Issue of Share	50000
31 March 2008	14500	10	49931 - 64500	Right Issue of Share	64500
28 March 2014	14500	10	64501 - 79000	Right Issue of Share	79000
29 June 2018	(79000)	N.A.	1 - 79000	Cancellation of shares pursuant to Scheme of Demerger	(79000)
29 June 2018	393889200	1	1 - 393889200	Scheme of Demerger	393889200



**10.18 Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of listing regulations:**

Particulars	Regulation Number	Compliance status (Yes/No/ NA)
Board composition	17 (1), (1A) & (1B)	Yes
Meeting of Board of directors	17(2)	Yes
Quorum of Board Meeting	17 (2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Quorum of Nomination & Remuneration Committee Meeting	19 (2A)	Yes
Meeting of Nomination & Remuneration Committee	19(3A)	Yes
Composition of Stakeholder Relationship Committee	20(1), (2) & (2A)	Yes
Meeting of Stakeholders Relationship Committee	20(3A)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	NA
Meeting of Risk Management Committee	21(3A)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1), (1A), (5), (6), (7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2) & (3)	Yes
Approval for material related party transactions	23(4)	Yes
Disclosure of Related Party Transactions on Consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	Yes
Maximum Tenure	25(2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Declaration from Independent Directors	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	N.A.
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes

Particulars	Regulation Number	Compliance status (Yes/No/ NA)
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Corporate Governance	27(1)&(2)	Yes
Details of business	46 (2) (a)	Yes
Terms and conditions of appointment of independent directors	46 (2) (b)	Yes
Composition of various committees of board of directors	46 (2) (c)	Yes
Code of conduct of board of directors and senior management personnel	46 (2) (d)	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	46 (2) (e)	Yes
Criteria of making payments to non-executive directors	46 (2) (f)	Yes
Policy on dealing with related party transactions	46 (2) (g)	Yes
Policy for determining 'material' subsidiaries	46 (2) (h)	Yes
Details of familiarization programmes imparted to independent directors	46 (2) (i)	Yes
email address for grievance redressal and other relevant details	46 (2) (j)	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	46 (2) (k)	Yes
Financial results	46 (2) (l)	Yes
Shareholding pattern	46 (2) (m)	Yes
Details of agreements entered into with the media companies and/or their associates	46 (2) (n)	NA
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analyst or institutional investors simultaneously with submission to stock exchange	46 (2) (o)	Yes
New name and the old name of the listed entity	46 (2) (p)	Yes

#### 10.19 Dematerialization of Shares and liquidity:

Trading in the Company's shares is permitted only in dematerialization form for all investors. The Company has established connectivity with CDSL and NSDL through the Registrar, M/s MCS Share Transfer Agent Limited, Ahmedabad, whereby the investors have the option to dematerialize their shares with either of the depositories. As on 31 March 2023, 98.31% of the paid-up share capita has been dematerialized.

#### 10.20 Outstanding GDR/ADR/Warrants or any convertible instrument, conversion date and likely impact on equity:

At the end of the year there is no such instrument pending for conversion.

#### 10.21 Commodity price risk or foreign exchange risk and hedging activities:

The business of the Company is exposed to fluctuations in commodity prices, which is, by and large, managed by booking the requisite estimated quantity/quality by back-to-back booking with the manufacturers and/or suppliers, while there is no exposure of the Company involving any foreign exchange risk and therefore there are no hedging activities undertaken.

#### 10.22 Plant locations:

The Company is in the business of real estate and construction activities and therefore do not have any plant or production units. However, the information regarding various housing projects of the Company is available on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com).

**10.23 Credit Rating:** Not Applicable

**10.24 Address for Correspondence:** All shareholder's related enquires; clarifications and correspondence should be addressed at the following address:

**The Compliance Officer**

Nila Spaces Limited 1st Floor, "Sambhaav House", Opp: Chief Justice's Bungalow, Bodakdev, Ahmedabad-380015  
Email: [secretarial@nilaspaces.com](mailto:secretarial@nilaspaces.com), Fax: +91 79 2687 3922; Phone: +91 79 4003 6817/18

**10.25 Disclosures with Respect to Demate Suspense Account / Unclaimed Suspense Account:**

The Company does not have any unclaimed shares and therefore the disclosures with respect to demate suspense account / unclaimed suspense account is not required.

**10.26 Disclosure of Certain Type of Agreements binding the Company:**

There has not been any agreement reported to the Company pursuant to Clause 5A of Paragraph A of Part A of Schedule III of the SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015.

## **11. OTHER DISCLOSURES**

**11.1 Materially Significant Related Party Transaction:**

The transaction(s) entered into between the Company and its related parties are disclosed in the Notes forming part of accounts and are in compliance with the Accounting Standards relating to "Related Party Disclosures". There is no materially significant Related Party Transaction wherein Directors and Key Managerial Personnel are interested and that may have potential conflict with the interest of the Company. All material transactions with subsidiaries, associates and joint ventures are in compliance with applicable law.

**11.2 Statutory Compliances, Penalties and Strictures:**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

**11.3 Details of non-compliance with mandatory requirements and adoption of the non-mandatory requirements:**

There is no non-compliance of any mandatory requirements and adoption of the non-mandatory requirements by the Company.

**11.4 Web link where policy for determining 'Material Subsidiaries' is disclosed:**

The Company does not have any material subsidiary within the meaning of SEBI laws. The Company's policy on determining material subsidiary is placed on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

**11.5 Web link where policy on dealing with related party transactions:**

The Company's policy on dealing with related party transactions is placed on the Company's website at [www.nilaspaces.com](http://www.nilaspaces.com) under investor segment.

**11.6 Certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified:**

A Certificate from a Company Secretary in practice has been received that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The certificate is reproduced herein under.

**11.7 Total Fees for all services paid by the listed entity and its subsidiaries etc. whose accounts have been consolidated; on a consolidated basis to the statutory auditors for the financial year 2022-23:**

SN	Particulars	Consolidated Amount (₹)
1	Audit and Other Fees for Certification etc.	1,75,000

**12. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTION PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A): Not Applicable**

**13. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

- a. No. of complaints filed during the financial year: Nil
- b. No. of complaints disposed of during the financial year: Nil
- c. No. of complaints pending as at end of the financial year: Nil

**14. DETAILS OF NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED: Not Applicable**

**15. DISCLOSE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 HAVE BEEN ADOPTED: Not Applicable**

**16. WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, IN THE RELEVANT FINANCIAL YEAR: Not Applicable**

**17. SECRETARIAL AUDIT REPORT FOR SHARE CAPITAL RECONCILIATION:**

As stipulated by SEBI, a Secretarial Audit is carried out by an Independent Practicing Company Secretary on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialized and physical mode and the status of the register of members.

**18. SECRETARIAL AUDIT REPORT FOR COMPLIANCES:**

Secretarial Audit has been carried out by an Independent Practicing Company Secretary at the end of the financial year to ensure timely compliances of all applicable acts, laws, guidelines, rules and regulations.

# Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Nila Spaces Limited**  
Floor, Sambhaav House,  
Opp. Chief Justice's Bungalow,  
Bodakdev, Ahmedabad -380015

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nila Spaces Limited having CIN: L45100GJ2000PLC083204 and having registered office at First Floor, Sambhaav House, Opp. Chief Justice's Bungalows, Bodakdev, Ahmedabad -380015 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Jasvinder Singh Rana	01749361	12/10/2017
2	Mr. Deep Shaileshbhai Vadodaria	01284293	12/10/2017
3	Mr. Prashant Himatbhai Sarkhedi	00417386	12/10/2017
4	Mr. Anand Bholabhai Patel	07272892	19/06/2018
5	Ms. Rajal Bhanukumar Mehta	08182658	19/07/2018
6	Mr. Shrinjay Shyamal Joshi	08692453	10/02/2020

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Umesh Ved  
Umesh Ved & Associates  
Company Secretaries  
FCS No.: 4411  
C.P. No.: 2924  
Peer Review No. 766/2020  
UDIN: F004411E000303479

Place : Ahmedabad  
Date : 13 May 2023

# CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members of  
**Nila Spaces Limited**

1. This report contains details of compliance of conditions of Corporate Governance by Nila Spaces Limited ("the Company") for the year ended on 31 March 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 ["Listing Regulations"] pursuant to the Listing Agreement of the Company with Stock exchanges.

## Management's Responsibility

2. The Compliance with the terms and conditions of Corporate Governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

## Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraph C, D and E of schedule V of the Listing Regulations during the year ended on 31 March 2023.

## Other Matters and Restriction on Use

9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.



10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants FRN: 102511W/W100298

Parth S Dadawala

Partner

Membership Number:134475

ICAI UDIN: 23134475BGVZUJ4439

Place : Ahmedabad

Date : 13 May 2023

## CEO and CFO Certification

To,  
The Board of Directors  
**Nila Spaces Limited**

We, Mr. Anand B Patel, Managing Director and Mr. Prashant Sarkhedi, Chief Financial Officer responsible for the finance function of the Company certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31 March 2023 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended on 31 March 2023 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and to the Audit committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Anand Patel  
Managing Director  
DIN: 07272892

Prashant Sarkhedi  
Chief Financial Officer

Place: Ahmedabad  
Date: 13 May 2023

Place: Ahmedabad  
Date: 13 May 2023

# Independent Auditors' Report

To the Members of Nila Spaces Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Nila Spaces Limited ("the Company"), which comprises of the balance sheet as at 31 March 2023, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the circumstances and facts of the audit and entity, there are no key audit matters to be communicated in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in

accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, read with matter stated in the Emphasis of Matter paragraph above, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.
  - h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either

from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid dividend during the year covered by our audit.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 01 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

2. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

**For, Dhirubhai Shah & Co LLP**

Chartered Accountants

Firm's Registration No : 102511W/W100298

**Parth S Dadawala**

Partner

Membership number: 134475

ICAI UDIN: 23134475BGVZUK1258

**Place:** Ahmedabad

**Date:** 13 May 2023



# Annexure - A to the Auditors' Report

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Nila Spaces Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to

future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Dhirubhai Shah & Co LLP**

Chartered Accountants

Firm's Registration No : 102511W/W100298

**Parth S Dadawala**

Partner

Membership number: 134475

ICAI UDIN: 23134475BGVZUK1258

**Place:** Ahmedabad

**Date:** 13 May 2023

## Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2023, we report that:

- (i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) As the company does not have any intangible assets, reporting under paragraph 3 clause (i) (a) (B) is not applicable.
- b) Property, Plant and Equipment were physically verified during the year by the Management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties (other than immovable properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment and Investment Properties are held in the name of the Company as at the balance sheet date.
- d) The Company has not revalued any of its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The inventories were physically verified by the management during the year at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account. The Company's inventory also includes construction work in progress and entitlement to Land Development Rights, to which the requirements under paragraph 3(ii) of the Order are not applicable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not obtained any working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Hence, reporting under paragraph 3 (ii) (b) of the order is not applicable.
- (iii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made further investments in its joint venture company. However, the company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.  
  
A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiary, its joint venture & its Associates.  
  
B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to a party other than subsidiary as below:

Particulars	(₹ in Lakhs)
Aggregate amount during the year – Others	-
Balance outstanding as at balance sheet date – Others	2189.96

- b) In our opinion, and according to the information and explanations given to us, the company has not made any investments, provided any guarantees, granted any new loans during the year. Further, loans granted during the earlier years are, prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of unsecured loans given, in our opinion the repayment of principal and payment of interest has not been stipulated which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has given loans, details as below, either repayable on demand or without specifying any terms or period of repayment.

(₹ in Lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	2189.96	-	-
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	2189.96	-	-
Percentage of loans/ advances in nature of loans to the total loans	100.00%	-	-

- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act during the year. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the Company is engaged in the business of providing infrastructural facilities and accordingly the provisions of Section 186 (except subsection (1) of Section 186) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has made investment referred in Section 186(1) of the Act and have complied with the provisions of Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits (including deemed deposits) from the public within the meaning of provisions of sections 73 to 76 of the Act and the rules framed there under and hence reporting under clause (v) of paragraph 3 of the Order is not applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) As informed to us, the company is not required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013. Hence, reporting under paragraph (vi) of this order is not applicable.
- (vii) a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us and basis our audit procedures to check the outstanding statutory dues, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and records of the company examined by us, there is no statutory dues under disputes for the Income Tax, Goods and Service Tax, Value Added Tax, Excise Duty and Service Tax and other material statutory dues as at 31 March 2023. Further, as described in note no 32 of financial statement, office of superintendent has assessed stamp duty of ₹ 651.52 lakhs under Gujarat Stamp Act, 1958 with reference to demerger transaction undertaken by the company vide National Company Law Tribunal, Order No. CP(CAA) No. 56/ NCLT/AHM/2018 and CA(CAA) No. 14/NCLT/AHM/2018. As informed to us and based on legal opinion, the company has filed writ petition in Hon. Gujarat High Court against the said assessed duty.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- c) To the best of our knowledge and belief and as per the information and explanations given to us by the management, the company has not obtained any term loan from Bank or Financial Institutes. Hence, reporting under clause (ix) (c) of Paragraph 3 is not applicable.
- d) On an overall examination of the financial statements of the Company, the company has not raised any funds raised on short-term basis, hence reporting under clause (ix) (d) of Paragraph 3 is not applicable.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x) (a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) and hence reporting under clause (x) (b) of the Order is not applicable to the Company.
- (xi) a) According to the information and explanations given to us, no fraud by the company or on the company has been noticed or reported during the year.
- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) a) In our opinion the Company has an adequate Internal Audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports of the Company issued till date for the period under audit.

- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 clause (xv) of the Order is not applicable.
- (xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to obtain CoR for such activities from the RBI.
- c) In our opinion, the Company is not core investment company (as defined in the regulations made by the RBI) and accordingly reporting under clause 3 (xvi)(d) of the Order is not applicable.
- d) The Company is not part of any group as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016, as amended. Accordingly, the requirements of Paragraph 3 clause (xvi) (d) are not applicable
- (xvii) The Company has incurred cash losses amounting to ₹ 547.29 lakhs during the financial year covered by our audit. Further, company has not incurred cash loss during the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, paragraph 3 clause (xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to further viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The Company was not having net profit of ₹ 5.00 crore or more during the immediately preceding financial year and hence, provisions of section 135 of the Companies Act, 2013 are not applicable to the Company during the year. Accordingly, reporting under paragraph 3 clause (xx) of the Order is not applicable for the year.

**For, Dhirubhai Shah & Co LLP**

Chartered Accountants

Firm's Registration No : 102511W/W100298

**Parth S Dadawala**

Partner

Membership number: 134475

ICAI UDIN: 23134475BGVZUK1258

**Place:** Ahmedabad

**Date:** 13 May 2023



# Standalone Balance Sheet

as at 31 March 2023

(₹ in lakhs)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment	4	23.68	5.61
(b) Investments Properties	5	661.07	686.00
(c) Financial Assets			
(i) Investments	6	1,542.72	1,542.43
(ii) Other Financial Assets	8	210.00	-
(d) Other non current assets	9	93.44	11.47
(e) Deferred Tax Asset (net)	30D	188.91	34.25
<b>Total non current assets</b>		<b>2,719.82</b>	<b>2,279.76</b>
<b>Current assets</b>			
(a) Inventories	10	9,875.66	6,957.94
(b) Financial assets			
(i) Trade receivables	11	4.50	63.00
(ii) Cash and cash equivalents	12	1,162.08	71.60
(iii) Investment	6	306.86	-
(iv) Loans	7	2,189.96	2,251.31
(c) Other current assets	13	2,744.94	1,648.28
(d) Current Tax Asset (net)	14	33.73	0.50
<b>Total current assets</b>		<b>16,317.73</b>	<b>10,992.63</b>
<b>Total assets</b>		<b>19,037.55</b>	<b>13,272.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	3,938.89	3,938.89
(b) Other equity	16	8,365.83	8,766.26
<b>Total equity</b>		<b>12,304.72</b>	<b>12,705.15</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	18	461.50	327.08
(b) Provisions	20	24.86	22.12
<b>Total non current liabilities</b>		<b>486.36</b>	<b>349.20</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables			
(i) Due to micro & small enterprises	17	35.85	-
(ii) Due to Others	17	878.11	200.94
(ii) Other financial liabilities	18	26.41	1.93
(b) Other current liabilities	19	5,195.64	13.83
(c) Provisions	20	110.46	1.34
<b>Total current liabilities</b>		<b>6,246.47</b>	<b>218.04</b>
<b>Total liabilities</b>		<b>6,732.83</b>	<b>567.24</b>
<b>Total equity and liabilities</b>		<b>19,037.55</b>	<b>13,272.39</b>

The accompanying notes 1 to 41 form an integral part of these standalone financial statements.  
As per our report of even date attached

**For Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 102511W/W100298

**For and on behalf of the Board of Directors of  
Nila Spaces Limited**  
CIN No. :L45100GJ2000PLC083204

**Parth S Dadawala**  
Partner  
Membership No: 134475

**Jasvinder S Rana**  
Chairman  
DIN : 01749361

**Anand B Patel**  
Managing Director  
DIN : 07272892

Place : Ahmedabad  
Date : 13 May 2023

**Prashant H Sarkhedi**  
Chief Financial Officer

**Gopi V Dave**  
Company Secretary

Place : Ahmedabad  
Date : 13 May 2023

Place : Ahmedabad  
Date : 13 May 2023

# Standalone Statement of Profit and Loss

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	21	101.08	532.70
Other income	22	241.64	539.17
<b>Total income</b>		<b>342.72</b>	<b>1,071.87</b>
<b>Expenses</b>			
Cost of material consumed and project expenses	23	75.04	504.38
Employee benefits expenses	24	123.88	144.66
Finance costs	25	0.44	26.54
Depreciation	4-5	11.21	15.33
Other expenses	26	689.16	191.94
<b>Total expenses</b>		<b>899.73</b>	<b>882.85</b>
<b>Profit before tax</b>		<b>(557.01)</b>	<b>189.02</b>
<b>Tax expense:</b>			
(a) Current Tax	30	-	35.13
(b) MAT Credit Entitlement	30	-	4.21
(c) Adjustments of tax for earlier years	30	0.83	2.34
(d) Deferred tax charge/(credit) (net)	30	(156.22)	18.32
<b>Tax Expense</b>		<b>(155.39)</b>	<b>60.00</b>
<b>Profit for the year</b>		<b>(401.62)</b>	<b>129.02</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of post-employment benefit obligation	16	1.66	2.29
Income tax relating to these items	16	(0.46)	(0.64)
<b>Other comprehensive income for the year, net of tax</b>		<b>1.20</b>	<b>1.65</b>
<b>Total comprehensive income for the year</b>		<b>(400.42)</b>	<b>130.67</b>
<b>Earnings per equity share (Face value ₹ 1 per share)</b>			
Basic	27	(0.10)	0.03
Diluted	27	(0.10)	0.03

The accompanying notes 1 to 41 form an integral part of these standalone financial statements.  
As per our report of even date attached

**For Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 102511W/W100298

**For and on behalf of the Board of Directors of  
Nila Spaces Limited**  
**CIN No. :L45100GJ2000PLC083204**

**Parth S Dadawala**  
Partner  
Membership No: 134475

**Jasvinder S Rana**  
Chairman  
DIN : 01749361

**Anand B Patel**  
Managing Director  
DIN : 07272892

Place : Ahmedabad  
Date : 13 May 2023

**Prashant H Sarkhedi**  
Chief Financial Officer

**Gopi V Dave**  
Company Secretary

Place : Ahmedabad  
Date : 13 May 2023

Place : Ahmedabad  
Date : 13 May 2023

# Standalone Statement of Changes in Equity

for the year ended on 31 March 2023

## A. Equity share capital (Refer Note No. 15)

(₹ in lakhs)

Particulars	Balance at the beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current period	Changes in equity share capital during the year	Balance at the end of the year
As at 31 March 2022	3,938.89	-	3,938.89	-	3,938.89
As at 31 March 2023	3,938.89	-	3,938.89	-	3,938.89

## B. Other Equity (Refer Note No. 16)

(₹ in lakhs)

Particulars	Reserves and Surplus				Total
	Retained earnings	Capital reserve	Securities premium account	General reserve	
Balance as at 01 April 2021	1,014.25	7,607.64	5.80	7.90	8,635.59
Profit for the year	129.02	-	-	-	129.02
Items of other comprehensive income					
Remeasurement of post-employment benefit obligation	1.65	-	-	-	1.65
Balance as at 31 March 2022	1,144.92	7,607.64	5.80	7.90	8,766.26
Profit for the year	(401.62)	-	-	-	(401.62)
Items of other comprehensive income					
Remeasurement of post-employment benefit obligation	1.19	-	-	-	1.19
Balance as at 31 March 2023	744.49	7,607.64	5.80	7.90	8,365.83

The accompanying notes 1 to 41 form an integral part of these standalone financial statements.  
As per our report of even date attached

**For Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 102511W/W100298

**For and on behalf of the Board of Directors of**  
**Nila Spaces Limited**  
**CIN No. :L45100GJ2000PLC083204**

**Parth S Dadawala**  
Partner  
Membership No: 134475

**Jasvinder S Rana**  
Chairman  
DIN : 01749361

**Anand B Patel**  
Managing Director  
DIN : 07272892

Place : Ahmedabad  
Date : 13 May 2023

**Prashant H Sarkhedi**  
Chief Financial Officer

**Gopi V Dave**  
Company Secretary

Place : Ahmedabad  
Date : 13 May 2023

Place : Ahmedabad  
Date : 13 May 2023

# Standalone Statement of Cash Flow

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash flow from operating activities</b>		
<b>Profit/(Loss) before tax</b>	<b>(557.01)</b>	<b>189.02</b>
<b>Adjustments for:</b>		
Finance cost	0.44	26.54
Depreciation	11.91	15.33
(Profit)/Loss on sale/discard of fixed asset (net)	(17.77)	(29.03)
Amortisation of Processing Fees	-	5.94
Share of loss from LLP	0.41	17.55
Provision for Doubtful debt	3.50	-
Interest income	(216.33)	(476.93)
<b>Operating profit/(loss) before working capital changes</b>	<b>(774.85)</b>	<b>(251.58)</b>
<b>Changes in working capital adjustments</b>		
(Increase)/Decrease in Trade Receivables	55.00	(29.80)
(Increase)/Decrease in Other Current Assets	(1,096.67)	399.11
(Increase)/Decrease in Other Non Current Assets	(81.97)	(8.40)
(Increase)/Decrease in Inventories	(2,917.72)	(783.33)
Increase/(Decrease) in Trade Payables	713.02	(1,827.45)
Increase/(Decrease) in Other Financial Liabilities	158.90	326.21
Increase/(Decrease) in Other Current Liabilities	5,181.80	2.44
Increase/(Decrease) in Provisions	113.52	3.41
<b>Cash generate from/(used in) operations</b>	<b>1,351.03</b>	<b>(2,169.39)</b>
Less: Income taxes paid (net)	(32.96)	(14.15)
<b>Net cash flow from/(used in) operating activities [A]</b>	<b>1,318.07</b>	<b>(2,183.54)</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment	(48.08)	(94.35)
Sale of Fixed Asset	60.80	263.65
(Investment)/Withdrawal of Investment in Joint Ventures	(0.70)	1,405.26
(Investment)/Withdrawal of Investment in Mutual Fund	(306.86)	-
(Investment)/Withdrawal of Investment in Fixed deposit	(210.00)	-
Interest Income	-	2.73
Loans (Given to)/Repaid by related Party (net)	-	0.27
Loans (Given to)/Repaid by others (net)	277.69	1,635.85
<b>Net cash flow from/(used in) investing activities [B]</b>	<b>(227.15)</b>	<b>3,213.41</b>
<b>Cash flow from financing activities</b>		
Proceeds from / (Repayment) of Long Term Borrowings (net)	-	(966.24)
Finance cost paid	(0.44)	(26.54)
<b>Net cash flow (used in) financing activities [C]</b>	<b>(0.44)</b>	<b>(992.78)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,090.48</b>	<b>37.09</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>71.60</b>	<b>34.51</b>
<b>Cash and cash equivalents at the end of the year (see note 2)</b>	<b>1,162.08</b>	<b>71.60</b>

# Standalone Statement of Cash Flow

for the year ended on 31 March 2023

## Notes:

1. The above statement of Cash Flow has been prepared under "Indirect method" as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flow".
2. Cash and cash equivalents as per above comprise of the following:

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash on hand	0.35	1.58
Balance with banks	1,161.73	70.02
<b>Cash and cash equivalents</b>	<b>1,162.08</b>	<b>71.60</b>

As per our report of even date attached

**For Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 102511W/W100298

**For and on behalf of the Board of Directors of  
Nila Spaces Limited**  
**CIN No. :L45100GJ2000PLC083204**

**Parth S Dadawala**  
Partner  
Membership No: 134475

**Jasvinder S Rana**  
Chairman  
DIN : 01749361

**Anand B Patel**  
Managing Director  
DIN : 07272892

Place : Ahmedabad  
Date : 13 May 2023

**Prashant H Sarkhedi**  
Chief Financial Officer

**Gopi V Dave**  
Company Secretary

Place : Ahmedabad  
Date : 13 May 2023

Place : Ahmedabad  
Date : 13 May 2023

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## 1. Corporate Information

Nila Spaces Limited is a Company based in Ahmedabad, Gujarat with its Registered Office situated at 1st Floor, Sambhaav House, Opp. Chief Justice Bungalow, Bodakdev, Ahmedabad - 380015. Nila Spaces Limited is a public company incorporated on 03 May 2000 and listed on BSE (Bombay Stock Exchange of India Limited) and NSE (National Stock Exchange of India Limited). The Company is engaged in the development of real estate comprising of residential and commercial projects.

## 2. Basis of preparation and measurement

### 2.1. Statement of compliance

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

The standalone financial statements for the year ended 31 March 2023 have been reviewed by audit committee and subsequently approved by Board of Directors at its meetings held on 13 May 2023.

Details of the Company's significant accounting policies are included in note 3.

### 2.2. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees, which is also the Company's functional currency. All the amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

### 2.3. Basis of Measurement

These standalone financial statements have been prepared on going concern basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2.4. Use of estimates and judgments

In preparing this standalone financial statement, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized prospectively.

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

Note 3(b) (c) – Useful life used for the purpose of depreciation on property, plant and equipment and investment properties and amortization of intangible assets.

Note 3(e) - Identification of the building as an investment property

Note 3(f) – Impairment of financial and non-financial assets

Note 3(g) – Recognition and measurement of defined benefit obligations, key actuarial assumptions

Note 3(h) - Evaluation of percentage completion for the purpose of revenue recognition

Note 3(i) – Fair value measurement of financial instruments

Note 3(j) – Current / deferred tax expense and recognition and evaluation of recoverability of deferred tax assets



# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

Note 3(l) – Provisions and contingencies

Note 3(o) – Lease classification

## 2.5. Measurement of fair values

The Company's accounting policies and disclosures requires the measurement of fair values for financial instruments.

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

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entity in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 - Investment property

Note 33 – Financial instruments

## 3. Significant Accounting Policies

### a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Operating cycle for project related assets and liabilities is the time start of the project to their realization in cash or cash equivalents. Operating cycle for all other assets and liabilities has been considered as twelve months.

### b) Property, plant and equipment

#### Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

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

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

## **Subsequent measurement**

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

## **Depreciation**

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as other non-current assets.

## **Derecognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss.

## **c) Intangible assets and amortisation**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

## **Subsequent Expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits associated with the expenditure will flow to the Company. All other expenditure is recognized in the Statement of Profit and Loss as incurred

## **Amortisation**

Intangible assets are amortized on a straight - line basis (pro-rata from the date of additions) over estimated useful life of four years.

## **Derecognition**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of intangible assets and is recognized in the Statement of Profit and Loss.

## **d) Capital work-in-progress and intangible assets under development**

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/intangible assets under development which are not yet ready for their intended use and are carried at cost less accumulated impairment loss, if any.

Depreciation/amortisation is not provided on capital work-in-progress and intangible assets under development until construction/installation are complete and the asset is ready for its intended use.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## e) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

### Recognition and measurement

Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

### Depreciation

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of investment properties equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### Fair value disclosure

The fair values of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Any gain or loss on disposal of an investment property is recognized in Statement of Profit and Loss.

## f) Impairment of non-financial assets

Non-financial assets of the Company, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

## g) Employee benefits

### Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted expenses and are expensed as the related services are provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered schemes. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the services are rendered by the employees.

## Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefits is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

Remeasurement gains or losses are recognized in the Statement of Profit and Loss in the period in which they arise.

## h) Revenue recognition

### (i) Recognition of Revenue from Real Estate Development:

Revenue is recognised on satisfactory performance obligations in a contract with customers, allocation of transaction price to the performance obligations and recognition of revenue as the performance obligations are satisfied either at a point in time or over a period of time. While recognizing revenue, the cost of land has been allocated in proportion to the percentage of work completed. If the outcome of a construction contract can be estimated reliably, contract revenue is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognized as expenses as incurred unless they create an asset is related to future contract activity. An expected loss on a contract is recognized immediately in the Statement of Profit and Loss.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

## **(ii) Land and transferrable development rights**

Revenue from contracts for sale of land and transferrable development rights is recognized at a point in time when control is transferred to the customer and it is probable that consideration will be collected. This is usually deemed to be legal completion as this is the point at which the Company has an enforceable right to payment. Revenue from sale of land and transferrable development rights is measured at the transaction price specified in the contract with the customer.

## **(iii) Contract balances**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognized for the earned consideration that is conditional.

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

## **(iv) Lease rental income**

Lease income from operating leases shall be recognized in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Income from leasing of commercial complex is recognized on an accrual basis in accordance with lease agreements. Refer note 3 (o) for accounting policy on leases.

## **(v) Share in profit/ loss of Limited liability partnerships ("LLPs") and partnership firm**

The Company's share in profits from LLPs and partnership firm, where the Company is a partner, is recognized as income in the statement of profit and loss as and when the right to receive its profit/ loss share is established by the Company in accordance with the terms of contract between the Company and the partnership entity.

## **(vi) Interest Income**

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

## **(vii) Dividend Income**

Revenue is recognized when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholder approve the dividend.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## i) Financial instrument

### Financial assets

#### Classification

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

#### Initial recognition and measurement

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through the Statement of Profit and Loss (FVTPL), its transaction cost are recognized in the Statement of Profit and Loss. In other case, the transaction costs are attributed to the acquisition value of the financial asset.

#### Subsequent measurement and gains and losses

#### Financial assets are subsequently classified as measured at

- **Financial assets at amortized cost:** These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment is recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.
- **Fair value through profit and loss (FVTPL):** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the Statement of Profit and Loss.
- **Fair value through other comprehensive income (FVOCI):** These assets are subsequently measured at fair value. Dividends are recognized as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in OCI and are not reclassified to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

#### Trade receivables and loans

Trade receivables and loans are initially recognized at fair value when they are originated. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

#### Equity instrument

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value Changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.



# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## **Derecognition**

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

- a) The right to receive cash flows from the asset have expired; or
- b) The Company has transferred substantially all the risks and rewards of the asset; or
- c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## **Impairment of financial assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognized in Statement of Profit and Loss.

## **Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

### **Subsequent measurement**

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through Statement of Profit and Loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

## **Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

## **Offsetting of financial instruments**

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

## **j) Income taxes**

Income tax comprises of current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in OCI.

### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

## Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available.

## Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as a deferred tax assets only when and to the extent there is convincing evidence that the company will pay normal tax during the specified period. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

## k) Inventories

Inventory comprises of land, Finished Goods of Residential project and land development rights.

Land and land development rights are valued at lower of cost or net realizable value. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing cost and other related overhead as the case may be. In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the immediate period, generally, the land is not registered in the name of the company.

Direct expenditures relating to real estate activity are inventorized. Other expenditure (including borrowing costs) during construction period is inventorized to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. **Work- in - progress (including land inventory):** Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.
- ii. **Finished goods – unsold residential unit, commercial unit, plots:** Valued at lower of cost and net realizable value.
- iii. **Construction material:** Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## l) Provisions and contingencies

A provision is recognized if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for:

- i. possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- ii. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

## **m) Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

## **n) Investments in subsidiaries, joint venture and associates**

The Company has elected to recognise its investments in subsidiary and associate and joint venture companies at cost in accordance with the option available in Ind AS 27, Separate Financial Statements.

## **o) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right of use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 3(e) on impairment of non-financial assets.

## **ii) Lease Liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## iii) Short term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

## II. Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

## p) Advance paid towards land procurement

Advances paid by the Company to the seller/intermediary towards outright purchase of land is recognized as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories. Management is of the view that these advances are given under normal trade practices and are neither in the nature of loans nor advance in the nature of loans.

## q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

## r) Earnings per share

Basic earnings per share is computed by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events such as bonus shares, other than conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

In a capitalization or bonus issue or share split, ordinary shares are issued to equity shareholders for no additional consideration. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

## s) Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid, which are subject to insignificant risk of changes in value

## t) Recent accounting pronouncement which are not yet effective

New Accounting standards, amendments and interpretations adopted by the Company effective from 01 April 2023:

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1, Presentation of Financial Statements** – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors** – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

**Ind AS 12, Income Taxes** – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

## u) New Amendments not yet adopted by the Company

### i. Code on Social Security, 2020:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13 November 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

# Notes to the standalone Financial Statements

for the year ended on 31 March 2023

## 4 Property, Plant & Equipment

(₹ in lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	For the Year	As at 31 March 2023	As at 1 April 2022
Computer	-	6.69	-	6.69	-	0.48	0.48	6.21
Office Equipments	14.65	2.16	14.65	2.16	9.97	0.03	0.03	2.13
Plant & Machinery	-	0.38	-	0.38	-	0.01	0.01	0.37
Vehicle	1.20	-	-	1.20	0.27	0.11	0.38	0.82
Furniture & Fixtures	-	14.40	-	14.40	-	0.25	0.25	14.15
<b>Total</b>	<b>15.85</b>	<b>23.63</b>	<b>14.65</b>	<b>24.83</b>	<b>10.24</b>	<b>0.88</b>	<b>1.15</b>	<b>23.68</b>

The company has transferred depreciation amounting to ₹ 0.69 lakhs (31 March 2022: Nil) to Project WIP for the FY 2022-23.

(₹ in lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2021	Additions	Deductions	As at 31 March 2022	As at 1 April 2021	For the Year	As at 31 March 2022	As at 1 April 2021
Computer	0.49	-	0.49	-	0.33	0.12	0.45	-
Office Equipments	16.34	-	1.69	14.65	8.00	3.10	1.13	4.68
Plant & Machinery	0.08	-	0.08	-	0.02	0.01	0.03	-
Vehicle	1.20	-	-	1.20	0.15	0.11	-	0.93
<b>Total</b>	<b>18.11</b>	<b>-</b>	<b>2.26</b>	<b>15.85</b>	<b>8.50</b>	<b>3.34</b>	<b>1.60</b>	<b>5.61</b>

## 5 Investments Properties

(₹ in lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	For the Year	As at 31 March 2023	As at 1 April 2022
Building & Office Premises	718.63	24.45	41.00	702.08	32.64	11.02	2.66	661.07
<b>Total</b>	<b>718.63</b>	<b>24.45</b>	<b>41.00</b>	<b>702.08</b>	<b>32.64</b>	<b>11.02</b>	<b>2.66</b>	<b>686.00</b>

(₹ in lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2021	Additions	Deductions	As at 31 March 2022	As at 1 April 2021	For the Year	As at 31 March 2022	As at 1 April 2021
Building & Office Premises	870.20	94.35	245.92	718.63	32.59	11.98	11.94	686.00
<b>Total</b>	<b>870.20</b>	<b>94.35</b>	<b>245.92</b>	<b>718.63</b>	<b>32.59</b>	<b>11.98</b>	<b>11.94</b>	<b>837.61</b>



# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

Amount recognized in Statement of Profit and Loss from Investment Properties

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Profit from sale of Investment Properties	22.45	29.67
Less : Depreciation during the year	11.02	11.98
<b>Income/(Expense) from Investment Properties</b>	<b>11.43</b>	<b>17.69</b>

## Fair Value of Investment Property

The company's Investment Property consist of commercial and residential properties. The fair value of Investment property is ₹ 1090.88 Lakhs (31 March 2022: ₹ 995.81 Lakhs). The valuations is based on valuation performed by an accredited independent valuer and is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value of the Company's investment properties have been arrived by Market approach using sales comparison method. The fair value measurement of the investment properties has been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

## 6 Investments

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non Current</b>		
<b>Investments in Joint Ventures (at cost)</b>		
Nila Projects LLP - Fixed Capital	10.00	10.00
Nila Projects LLP - Fluctuating Capital	1,306.86	1,306.57
	<b>1,316.86</b>	<b>1,316.57</b>
<b>Investments in Associate (at cost)</b>		
2,33,750 (31 March 2022 : 2,33,750) Equity shares of Mega City Cinemall Pvt. Ltd. of ₹ 10/- each	222.06	222.06
	<b>222.06</b>	<b>222.06</b>
<b>Total Investments in Associate and Joint Venture</b>	<b>1,538.92</b>	<b>1,538.63</b>
<b>Investments in Others (at cost)</b>		
Bagmar Nila Projects (Udaipur) LLP	1.90	1.90
Bagmar Nila Projects (Jodhpur) LLP	1.90	1.90
<b>Total Investments in others</b>	<b>3.80</b>	<b>3.80</b>
<b>Total</b>	<b>1,542.72</b>	<b>1,542.43</b>
<b>Current</b>		
<b>(a) Fair value through Profit and loss</b>		
<b>Investment in Mutual Fund</b>		
HDFC Money Market Fund - Grow - Units 6,334.54 (31 March 2022 : NIL)	306.86	-
<b>Total</b>	<b>306.86</b>	<b>-</b>
<b>Aggregate value of unquoted investment</b>	<b>1,542.72</b>	<b>1,542.43</b>
<b>Aggregate value of quoted investment</b>	<b>306.86</b>	<b>-</b>

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## 7 Loans

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
<b>Unsecured, Considered good</b>		
<b>Loans</b>		
Other than related parties	2,189.96	2,251.31
<b>Total</b>	<b>2,189.96</b>	<b>2,251.31</b>

Refer note 33 - Financial instruments, fair values and risk measurement

## 8 Other Financial Assets

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non Current</b>		
Fixed deposit with Banks having maturity more than 12 months	210.00	-
<b>Total</b>	<b>210.00</b>	<b>-</b>

Refer note 33 - Financial instruments, fair values and risk measurement

## 9 Other non current assets

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Unsecured, Considered good</b>		
Security and other deposits	93.44	11.47
<b>Total</b>	<b>93.44</b>	<b>11.47</b>

## 10 Inventories

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Work in progress	4,616.43	1,348.31
Finished Goods	163.16	263.56
Land and land development rights	5,096.07	5,346.07
<b>Total</b>	<b>9,875.66</b>	<b>6,957.94</b>

Refer note 3(k) for accounting policy on inventories.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## 11 Trade receivables

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Related parties</b>		
Unsecured, considered good	-	-
<b>Other than related parties</b>		
Unsecured, considered good	4.50	63.00
Unsecured, considered doubtful	3.50	-
Less : Provision for doubtful debt	(3.50)	-
<b>Total</b>	<b>4.50</b>	<b>63.00</b>

Refer note 33 - Financial instruments, fair values and risk measurement

### Ageing of Trade Receivable as at 31 March 2023

(₹ in lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	-	-	4.50	-	-	4.50
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.50	-	-	3.50
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	-	-	<b>8.00</b>	-	-	<b>8.00</b>
Less : Allowance for credit losses	-	-	3.50	-	-	3.50
<b>Total</b>	-	-	<b>4.50</b>	-	-	<b>4.50</b>

### Ageing of Trade Receivable as at 31 March 2022

(₹ in lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	55.00	8.00		-	-	63.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>55.00</b>	<b>8.00</b>	-	-	-	<b>63.00</b>

## 12 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance in current account	1,161.73	70.02
Cash on hand	0.35	1.58
<b>Total</b>	<b>1,162.08</b>	<b>71.60</b>

Refer note 33 - Financial instruments, fair values and risk measurement

## 13 Other current assets

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Unsecured, Considered good</b>		
Advance for Land Purchase to related party*	1,960.02	1,530.02
Advance for Land Purchase to Other than Related party*	-	71.00
Advance to Suppliers	727.74	0.50
Other Current Asset	1.61	-
Prepaid expenses	5.90	5.79
Advance to Employees	4.02	2.49
Advance with Government Authorities		
- Goods and service tax receivable	45.65	38.48
<b>Total</b>	<b>2,744.94</b>	<b>1,648.28</b>

\* Advance for land purchase though unsecured, are considered good as the advances have been given based on arrangement/Memorandum of understanding executed by the company and the company/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances.

## 14 Current tax assets (Net)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance payment of tax	33.73	35.63
Less : Current tax liabilities	-	(35.13)
<b>Total</b>	<b>33.73</b>	<b>0.50</b>

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## 15 Equity share capital

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(a) Authorised share capital</b>		
45,00,00,000 (31 March 2022 : 45,00,00,000) Equity shares of ₹ 1/- each fully paid	4,500.00	4,500.00
<b>(b) Issued, Subscribed and Paid-up Capital</b>		
39,38,89,200 (31 March 2022 : 39,38,89,200) Equity shares of ₹ 1/- each fully paid	3,938.89	3,938.89

### (c) Reconciliation of Share outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Balance as at the beginning of the year	39,38,89,200.00	3,938.89	39,38,89,200.00	3,938.89
Issued during the year	-	-	-	-
Balance as at the end of the year	39,38,89,200.00	3,938.89	39,38,89,200.00	3,938.89

### (d) Terms / rights attached to Equity shares

- The company has only one single class of equity shares referred to as equity share having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held.
- The Company declares and pay dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the Shareholder in the Annual General Meeting except in case of interim dividend.
- In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### (e) Details of shareholders holding more than 5% of Equity shares in the company

Name of Shareholders	As at 31 March 2023		As at 31 March 2022	
	Nos. of shares	% Holding	Nos. of shares	% Holding
Mr Manoj B Vadodaria	5,31,54,712.00	13.49%	5,31,54,712.00	13.49%
Mrs Nila M Vadodaria	4,39,55,267.00	11.16%	4,39,55,267.00	11.16%
Mr Kiran B Vadodaria	3,86,08,100.00	9.80%	3,86,08,100.00	9.80%
Mrs Alpa K Vadodaria	3,68,00,000.00	9.34%	3,68,00,000.00	9.34%
Mr Deep S Vadodaria	3,17,52,108.00	8.06%	3,17,52,108.00	8.06%
Mrs Mina S Vadodaria	2,16,55,000.00	5.50%	86,95,000.00	2.21%

### (f) Shares held by Promoter's Group at the end of the year

As at 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Changes during the year
Mr Manoj B Vadodaria	5,31,54,712.00	-	5,31,54,712.00	13.49%	-
Mrs Nila M Vadodaria	4,39,55,267.00	-	4,39,55,267.00	11.16%	-
Mrs Alpa K Vadodaria	3,68,00,000.00	-	3,68,00,000.00	9.34%	-

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Changes during the year
Mr Kiran B Vadodaria	3,86,08,100.00	-	3,86,08,100.00	9.80%	-
Mr Deep S Vadodaria	3,17,52,108.00	-	3,17,52,108.00	8.06%	-
Mr Shailesh B Vadodaria	1,29,60,000.00	(1,29,60,000.00)	-	-	(100.00%)
Mrs Mina S Vadodaria	86,95,000.00	1,29,60,000.00	2,16,55,000.00	5.50%	149.05%
Mr Rajeshbhai B Vadodaria	50,00,000.00	(50,00,000.00)	-	-	(100.00%)
Mrs Chhaya R Vadodaria	43,00,000.00	-	43,00,000.00	1.09%	-
Mr Siddharth R Vadodaria	43,00,000.00	25,00,000.00	68,00,000.00	1.73%	58.14%
Mr Karan R Vadodaria	43,00,000.00	25,00,000.00	68,00,000.00	1.73%	58.14%
<b>Total</b>	<b>24,38,25,187.00</b>	<b>-</b>	<b>24,38,25,187.00</b>	<b>61.89%</b>	<b>-</b>

As at 31 March 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Changes during the year
Mr Manoj B Vadodaria	5,31,54,712.00	-	5,31,54,712.00	13.49%	-
Mrs Nila M Vadodaria	4,39,55,267.00	-	4,39,55,267.00	11.16%	-
Mrs Alpa K Vadodaria	3,68,00,000.00	-	3,68,00,000.00	9.34%	-
Mr Kiran B Vadodaria	3,86,08,100.00	-	3,86,08,100.00	9.80%	-
Mr Deep S Vadodaria	3,17,52,108.00	-	3,17,52,108.00	8.06%	-
Mr Shailesh B Vadodaria	1,29,60,000.00	-	1,29,60,000.00	3.29%	-
Mrs Mina S Vadodaria	86,95,000.00	-	86,95,000.00	2.21%	-
Mr Rajeshbhai B Vadodaria	50,00,000.00	-	50,00,000.00	1.27%	-
Mrs Chhaya R Vadodaria	43,00,000.00	-	43,00,000.00	1.09%	-
Mr Siddharth R Vadodaria	43,00,000.00	-	43,00,000.00	1.09%	-
Mr Karan R Vadodaria	43,00,000.00	-	43,00,000.00	1.09%	-
<b>Total</b>	<b>24,38,25,187.00</b>	<b>-</b>	<b>24,38,25,187.00</b>	<b>61.89%</b>	<b>-</b>

(g) During last 5 years immediately preceding reporting date, the Company has not allotted any (a) Bonus Shares or (b) Shares issued for consideration other than cash.

(h) During last 5 years immediately preceding reporting date, the Company has not bought back any class of shares.

## 16 Other equity

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Reserves &amp; Surplus</b>		
(i) Retained earnings	744.49	1,144.92
(ii) Equity security premium	5.80	5.80
(iii) Capital reserve	7,607.64	7,607.64
(iv) General reserve	7.90	7.90
<b>Total</b>	<b>8,365.83</b>	<b>8,766.26</b>



# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(i) Retained earnings</b>		
Profit & loss opening balance	1,144.92	1,014.25
Profit during the year	(401.62)	129.02
Items of other comprehensive income		
Remeasurement of post-employment benefit obligation	1.19	1.65
<b>Total</b>	<b>744.49</b>	<b>1,144.92</b>
<b>(ii) Equity security premium</b>	<b>5.80</b>	<b>5.80</b>
<b>(iii) Capital reserve</b>	<b>7,607.64</b>	<b>7,607.64</b>
<b>(iv) General reserve</b>	<b>7.90</b>	<b>7.90</b>
<b>Total</b>	<b>8,365.83</b>	<b>8,766.26</b>

## Nature and purpose of reserves

**General Reserve** - The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

**Capital Reserve** - The excess of net assets taken over the cost of consideration paid is treated as capital reserve on account of Demerger.

**Equity Security Premium** - Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.

## 17 Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
Dues to Micro & Small Enterprises (as per the intimation received from vendors) #	35.85	0.25
Dues to others - Trade payable*	878.11	200.69
<b>Total</b>	<b>913.96</b>	<b>200.94</b>

#The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company. This has been relied upon by auditors.

\*Trade Payable - dues to others includes retention money payable amounting to ₹ 75.44 lakhs (31 March 2022 : NIL)

# Total dues to Micro & Small Enterprises

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Dues to Micro & Small Enterprises (as per the intimation received from vendors)	-	-
A. Principal and interest amount remaining unpaid	35.85	0.25

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
B. Interest due thereon remaining unpaid	-	-
C. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to supplier beyond the appointed day	-	-
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
E. Interest accrued and remaining unpaid	-	-
F. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

## Ageing of Trade Payable as at 31 March 2023

(₹ in lakhs)

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	35.85	-	-	-	35.85
(ii) Others	39.39	838.72	-	-	-	878.11
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>39.39</b>	<b>874.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>913.96</b>

## Ageing of Trade Payable as at 31 March 2022

(₹ in lakhs)

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	0.25	-	-	-	0.25
(ii) Others	39.39	160.70	0.60	-	-	200.69
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>39.39</b>	<b>160.95</b>	<b>0.60</b>	<b>-</b>	<b>-</b>	<b>200.94</b>

## 18 Other financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non Current</b>		
Security deposits	461.50	327.08
	<b>461.50</b>	<b>327.08</b>
<b>Current</b>		
Employee related liabilities	26.41	1.93
	<b>26.41</b>	<b>1.93</b>
<b>Total</b>	<b>487.91</b>	<b>329.01</b>

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## 19 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customer	5,083.67	-
Statutory dues payable	111.97	13.83
<b>Total</b>	<b>5,195.64</b>	<b>13.83</b>

## 20 Provisions

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
<b>(a) Provisions for employee benefits</b>		
Gratuity (refer note 29)	16.84	15.57
Leave encashment (refer note 29)	8.02	6.55
	<b>24.86</b>	<b>22.12</b>
<b>Current</b>		
<b>(a) Provisions for employee benefits</b>		
Gratuity (refer note 29)	0.27	0.84
Leave encashment (refer note 29)	0.60	0.50
<b>(b) Provision for expenses</b>		
Provision for Expenses	109.59	-
	<b>110.46</b>	<b>1.34</b>
<b>Total</b>	<b>135.32</b>	<b>23.46</b>

## 21 Revenue from operations

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Sales</b>		
Development of Projects - with construction	101.08	532.70
<b>Total</b>	<b>101.08</b>	<b>532.70</b>

## 22 Other income

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest Income	216.33	474.20
Interest on Income Tax Refund	-	2.73
Profit/(Loss) on Sale of Fixed Asset	22.45	29.67
Other non-operating income	38.15	45.95
	<b>276.93</b>	<b>552.55</b>
Add/(Less): Transferred from/(to) WIP	(35.29)	(13.38)
<b>Total</b>	<b>241.64</b>	<b>539.17</b>

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## 23 Cost of material consumed and project expenses

(₹in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Construction, Material and Labour	2,162.99	157.13
Land/Development Rights	343.05	1,181.25
Other Costs	35.75	12.14
	<b>2,541.79</b>	<b>1,350.52</b>
Add/(Less): Transferred from/(to) WIP	(2,466.75)	(846.14)
<b>Total</b>	<b>75.04</b>	<b>504.38</b>

## 24 Employee benefits expense

(₹in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, allowances and bonus	161.24	115.44
Contribution to provident and other fund (refer note 29)	2.70	2.77
Remuneration and perquisites to directors (refer note 28)	36.00	34.05
	<b>199.94</b>	<b>152.26</b>
Add/(Less): Transferred from/(to) WIP	(76.06)	(7.60)
<b>Total</b>	<b>123.88</b>	<b>144.66</b>

## 25 Finance cost

(₹in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Interest on Borrowings</b>		
- Banks and financial institution	-	22.49
- Others	37.29	13.10
<b>Total Interest on Borrowings(A)</b>	<b>37.29</b>	<b>35.59</b>
<b>Other Borrowing Cost</b>		
- Bank charges	0.13	0.13
-Interest cost*	9.47	-
- Others	-	3.92
<b>Total Other Borrowing Cost (B)</b>	<b>9.60</b>	<b>4.05</b>
<b>(A+B)</b>	<b>46.89</b>	<b>39.64</b>
Add/(Less):- Transferred from/(to) WIP	(46.45)	(13.10)
<b>Total</b>	<b>0.44</b>	<b>26.54</b>

\* Interest Cost ₹ 9.47 (31 March 2022 : NIL ) paid on behalf of customers as per contractual arrangement entered with them.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## 26 Other expenses

(₹in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Legal and professional charges	461.52	66.62
Listing Expenses	10.18	9.02
Rent Expense	22.37	2.57
Repairs and maintenance expenses	5.00	1.46
Insurance	5.07	0.07
Power and fuel expenses	14.17	8.29
Printing and stationery	4.19	1.62
Municipal tax	3.87	9.28
Payment to auditors (exclusive of GST)		
Audit fees & Other certification fees (refer note 26.1)	1.75	2.03
Advertisement and business promotion expenses	531.48	31.63
Director's Sitting Fees	0.48	0.45
Loss on Sale of Fixed Asset	4.69	0.64
Share of loss from LLP	0.41	17.55
Sundry Balances W/off	-	32.93
Provision for doubtful debt	3.50	-
Subscriptional and Membership	48.89	-
Miscellaneous expenses	23.77	23.03
GST Expense	154.01	20.29
	<b>1,295.35</b>	<b>227.48</b>
Add/(Less): Transferred from/(to) WIP	(606.19)	(35.54)
<b>Total</b>	<b>689.16</b>	<b>191.94</b>

### 26.1 Payment to Auditor

(₹in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Audit Fees</b>	<b>1.75</b>	<b>2.03</b>
Statutory Audit Fees	1.50	1.50
Tax Audit Fees	0.25	0.25
Other Certification fees	-	0.28

## 27 Earning per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Profit attributable to equity share holders :</b>		
Basic earnings (₹ in lakhs )	(401.62)	129.02
Adjusted for the effect of dilution (₹ in lakhs )	(401.62)	129.02

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Weighted average number of equity shares for:</b>		
Basic	39,38,89,200.00	39,38,89,200.00
Adjusted for the effect of dilution	39,38,89,200.00	39,38,89,200.00
<b>Earning per share</b>		
Basic	(0.10)	0.03
Diluted	(0.10)	0.03

## 28 Related party transactions

(A) Joint ventures :	Nila Projects LLP
(B) Associates:	Megacity Cinemall Pvt Ltd
(C) Enterprise in which Key Managerial Personnel and Directors have significant influence	Nila Infrastructures Limited Sambhaav Media Limited Romanovia Industrial Park Pvt Ltd Kent Residential and Industrial Park LLP
(D) Directors	Anand B Patel - Managing Director (Non Executive Director w.e.f. 13 May 2023) Jasvindersingh Rana- Chairman Deep Vadodaria- Non Executive Director (Whole time Director w.e.f. 13 May 2023) Rajal B Mehta - Non Executive Director Shrinjay S Joshi - Non Executive Director Prashant H Sarkhedi- Non Executive Director (Whole time Director w.e.f. 13 May 2023)
(E) Key Managerial Personnel and relatives	Rahul R Vohera - Chief Financial Officer (Upto 15 November 2022) Prashant H Sarkhedi- Chief Finance Officer (W.e.f. 13 May 2023) Gopi V Dave - Company Secretary Parul Prashant Sarkhedi - Relative of Director

## Disclosure of transactions between the Company and Related Parties (Other than Key - managerial personnel) during the year 2022-23

(₹in lakhs)

Particulars	Transaction Value	
	31 March 2023	31 March 2022
<b>A. Loans (Assets)</b>		
<b>(i) Interest Income received</b>		
Nila Projects LLP	-	0.04
<b>(ii) Re-payment of loans given</b>		
Nila Project LLP	-	0.27

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	Transaction Value	
	31 March 2023	31 March 2022
<b>B. Investments</b>		
<b>(i) Investment withdrawn during the year</b>		
Nila Projects LLP	-	1,355.30
<b>(ii) Investment during the year</b>		
Nila Projects LLP	0.70	-
<b>(iii) Interest on Capital during the year</b>		
Nila Projects LLP	-	137.84
<b>(iv) Share of Profit/(Loss) during the year</b>		
Nila Projects LLP	(0.41)	(17.55)
<b>C. Other Contracts</b>		
<b>(i) Construction contract work*</b>		
Nila Infrastructures Limited	-	400.48
<b>(ii) Reimbursement of Expense</b>		
Nila Infrastructures Limited	-	4.21
Kent Residential & Industrial Park LLP	0.35	-
<b>(iii) Purchase of Goods</b>		
Nila Infrastructures Limited	0.70	6.80
<b>(iv) Sale of Residential Unit</b>		
Parul Prashant Sarkhedi	82.97	-
<b>(v) Rent Paid</b>		
Sambhaav Media Limited	2.10	2.04
<b>(vi) Advance given for Land Purchase</b>		
Nila Infrastructures Limited	430.00	1,530.02

\* Exclusive of Tax

**Disclosure of the status of outstanding balances between the Company and Related Parties (Other than Key - managerial personnel) as at year end**

(₹ in lakhs)

Particulars	Outstanding Balance	
	31 March 2023	31 March 2022
<b>A. Investments</b>		
Megacity Cinemall Pvt Ltd	222.06	222.06
Nila Projects LLP - Fixed Capital	10.00	10.00
Nila Projects LLP - Fluctuating Capital	1,306.86	1,306.57
<b>B. Advance given for land</b>		
Nila Infrastructure Limited.	1,960.02	1,530.02



# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## Disclosure of transactions between the Company and Key - managerial personnel during the year 2022-23

(₹ in lakhs)

Particulars	Transaction Value	
	31 March 2023	31 March 2022
<b>Remuneration</b>		
- Directors	36.00	34.05
- Key Managerial Persons	12.77	14.05
Director sitting fees	0.48	0.45

## 29 Employee benefits

### A. Defined benefit plans:

#### Gratuity

The Company operates a defined benefit plan (the gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and tenure of employment. The liability in respect of gratuity being defined benefit schemes, payable in future, are determined by actuarial valuation as on balance sheet date.

In activity of valuation for gratuity following assumptions were used:

Particulars	31 March 2023	31 March 2022
Mortality rate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate
Withdrawal rate	1.00%	1.00%
Retirement age	58 Years	58 Years
Discount rate	7.49%	7.29%
Salary escalation	6.00%	6.00%

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's standalone financial statements as at 31 March 2023 & 31 March 2022 is set out as status of gratuity plan under Indian Accounting Standard 19 on "Employee Benefit".

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Changes in present value of defined benefit obligation</b>		
Present value of defined benefit obligation as at the beginning of the year	16.41	16.31
Interest cost	1.20	1.10
Past service cost	-	-
Current service cost	1.80	1.86
Actuarial loss/(gain) due to change in financial assumptions	(0.38)	(1.05)
Actuarial loss/(gain) due to change in demographic assumptions	-	(0.01)
Actuarial loss/(gain) due to experience adjustments	(1.28)	(1.23)
Benefits paid	(0.64)	(0.57)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>17.11</b>	<b>16.41</b>
<b>Amount recognized in the balance sheet</b>		
Fair value of plan assets as at the end of the year	-	-
Present value of defined benefit obligation as at the end of the year	17.11	16.41

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Net obligation as at end of year</b>	<b>17.11</b>	<b>16.41</b>
<b>Non current</b>	<b>16.84</b>	<b>15.57</b>
<b>Current</b>	<b>0.27</b>	<b>0.84</b>
<b>Expenses recognized in the statement of profit and loss under the head employee benefit expenses</b>		
Service cost	2.08	1.80
Interest Expense	1.28	1.20
Past service cost	-	-
<b>Net expense recognized in employee benefit expenses</b>	<b>3.36</b>	<b>3.00</b>
<b>Expenses recognized in other comprehensive income for the year</b>		
<b>Remeasurment due to:</b>		
Actuarial loss on obligations - due to change in financial assumptions	(0.38)	(1.05)
Actuarial (gain) on obligations - due to change in demographic assumptions	-	(0.01)
Actuarial loss/(gain) on obligations - due to experience adjustments	(1.28)	(1.23)
<b>Net expense/(income) recognized in other comprehensive income</b>	<b>(1.66)</b>	<b>(2.29)</b>

## Sensitivity analysis

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Increase	Increase	Decrease	Decrease
Discount rate (1% movement)	(1.73)	(1.77)	2.05	2.11
Salary growth rate (1% movement)	2.06	2.12	(1.77)	(1.81)
Withdrawal rate (1% movement)	0.24	0.20	(0.28)	(0.23)

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related. Further more, interpreting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years

The obligations are measured at the present value of estimated future cashflow by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation. The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

## Expected future cash flow:

The expected future cash flow in respect of gratuity at balance sheet date will be as follows

(₹ in lakhs)

Projected benefits payable in future years from the date of reporting	31 March 2023	31 March 2022
1st following year	0.27	0.84
2nd following year	0.30	0.25
3rd following year	0.32	0.28

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

Projected benefits payable in future years from the date of reporting	31 March 2023	31 March 2022
4th following year	2.98	0.30
5th following year	0.75	2.68
Sum of years 6 to 10	7.14	5.68

## B. Other long term employee benefits

### Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employee at the year end. The value of such leave balances that are eligible for carry forward is determined by actuarial valuation as at the end of the year and actuarial gains and loss are charged to the statement of profit and loss amount of ₹ 1.57 lakhs (31 March 2022 : ₹ 1.01 lakhs) towards leave benefits is recognized as an expense and included in the Statement of Profit and Loss.

Actuarial assumptions	31 March 2023	31 March 2022
Discount rate	7.49%	7.29%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1.00%	1.00%

## C. Defined contribution

Contribution to Provident Fund and ESIC recognized as an expense for the year are as under.

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
Employers Contribution to Provident Fund	2.08	2.30
Employers Contribution to ESIC	0.46	0.47

## 30 Tax expense

### A. Income tax expense recognized in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Current tax</b>		
Current tax on profit for the year	-	35.13
Adjustments of tax for earlier years	0.83	2.34
<b>Tax (Credit) under Minimum Alternative Tax</b>		
MAT Credit Entitlement	-	4.21
<b>Deferred tax</b>		
Origination & reversal of temporary differences (refer note D)	(156.22)	18.32
<b>Tax Expense reported in statement of Profit &amp; Loss</b>	<b>(155.39)</b>	<b>60.00</b>

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## B. Income tax expense / (income) recognized in other comprehensive income

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Deferred tax</b>		
Deferred tax (credit)/charge on remeasurements of defined benefit liability	(0.46)	(0.64)
<b>Tax Expense/(income) on 'OCI'</b>	<b>(0.46)</b>	<b>(0.64)</b>

## C. Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Profit before tax</b>	<b>(557.01)</b>	<b>189.02</b>
Tax using the Company's statutory tax rate at 16.69% (31 March 2022: 16.69%)	-	31.55
Effect of :		
Non deductible expenses	-	3.58
Adjustments of tax for earlier years	0.83	2.34
MAT Credit Available	-	4.21
Origination and Reversal of Temporary difference	(156.22)	18.32
<b>Tax Expense</b>	<b>(155.39)</b>	<b>60.00</b>

## D. Deferred Tax Assets and Liabilities

(₹ in lakhs)

Particulars	Deferred Tax (Assets)		Deferred Tax (Liability)		Net Deferred Tax Assets/(Liabilities)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Expenditure Allowed on Payment Basis	(8.63)	(6.94)	-	-	(8.63)	(6.94)
Provision for Stamp Duty	(10.96)	(10.96)	-	-	(10.96)	(10.96)
Provision for Loss allowance	-	-	0.46	0.64	0.46	0.64
Less: Depreciation under tax laws over book depreciation	-	-	105.85	97.48	105.85	97.48
Unabsorbed Losses	(162.27)	-	-	-	(162.27)	-
<b>Net Deferred tax (Assets)/ Liabilities</b>	<b>(181.86)</b>	<b>(17.90)</b>	<b>106.31</b>	<b>98.11</b>	<b>(75.55)</b>	<b>80.21</b>
MAT Credit Entitlement	-	-	-	-	(113.36)	(114.46)
<b>Deferred tax (Assets) / Liabilities</b>	<b>(181.86)</b>	<b>(17.90)</b>	<b>106.31</b>	<b>98.11</b>	<b>(188.91)</b>	<b>(34.25)</b>

## 31 Operating Segment

The Company is primarily engaged in the development of real estate comprising of residential and commercial projects. Company's performance of operation as defined in Ind AS 108 are evaluated as a whole by chief operating decision maker ('CODM') of the company based on which development of real estate activities are considered as a single operating segment. The Company reports geographical segment which is based on the areas in which major operating divisions of the company operate and the entire operations are based only in India. None of the customers for the year ended 31 March 2023 constituted 10% or more of the total revenue of the company.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## 32 Commitments and Contingent Liability

### I) Commitments

There are no commitments as at 31 March 2023 as well as 31 March 2022

### II) Contingent Liabilities

- A. The company has received opinion from the office of the superintendent under Gujarat Stamp Act, 1958 wherein it has assessed Stamp Duty amounting to ₹ 651.88 Lakhs with reference to demerger transaction undertaken by the company vide National Company Law Tribunal, Order No. CP(CAA) No. 56/NCLT/AHM/2018 and CA(CAA) No. 14/NCLT/AHM/2018. Based on Legal Opinion, the company has filed writ petition in Hon. Gujarat High Court vide Special Civil Application No. 1042/2023 against the said assessed duty. Moreover, based on the legal opinion, the company has made provision of stamp duty amounting to ₹ 39.38 Lakhs in the books of accounts. The said liability will be discharged once final assessment order is issued by the stamp duty authority.
- B. In such cases, settlement of liability may result in outflow of additional cash than the amount disclosed in the note as contingent liabilities owing to interest component on such liability outstanding. Wherever interest rate is determinable for any specific liability, the amount so disclosed is after considering interest on such liability up to the reporting date.

## 33 Financial Instruments - Fair Values And Risk Measurements

### A. Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:-

(₹ in lakhs)

As at 31 March 2023	Carrying amount				Fair value			
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial asset</b>								
Loan								
- Current	-	-	2,189.96	2,189.96	-	-	-	-
Investment	-	-		-	-	-	-	-
- Non Current (note 1)			3.80	3.80				
- Current	306.86	-	-	306.86	306.86	-	-	306.86
Other Financial Assets			210.00	210.00	-	-	-	-
Trade receivables	-	-	4.50	4.50	-	-	-	-
Cash and cash equivalent	-	-	1,162.08	1,162.08	-	-	-	-
	<b>306.86</b>	<b>-</b>	<b>3,570.34</b>	<b>3,877.20</b>	<b>306.86</b>	<b>-</b>	<b>-</b>	<b>306.86</b>
<b>Financial liabilities</b>								
Trade payable	-	-	913.96	913.96	-	-	-	-
Other financial liability								
- Non-current	-	-	461.50	461.50	-	-	-	-
- Current	-	-	26.41	26.41	-	-	-	-
	<b>-</b>	<b>-</b>	<b>1,401.87</b>	<b>1,401.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

As at 31 March 2022	Carrying amount				Fair value			
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial asset</b>								
Loan								
- Current	-	-	2,251.31	2,251.31	-	-	-	-
Investment	-	-		-	-	-	-	-
- Non Current (note 1)			3.80	3.80	-	-	-	-
Trade receivables	-	-	63.00	63.00	-	-	-	-
Cash and cash equivalent	-	-	71.60	71.60	-	-	-	-
	-	-	<b>2,389.71</b>	<b>2,389.71</b>	-	-	-	-
<b>Financial liabilities</b>								
Trade payable	-	-	200.94	200.94	-	-	-	-
Other financial liability								
- Non-current	-	-	327.08	327.08	-	-	-	-
- Current	-	-	1.93	1.93	-	-	-	-
	-	-	<b>529.95</b>	<b>529.95</b>	-	-	-	-

\* Fair value of financial assets and liabilities measured at amortized cost is not materially different from the amortized cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

**Note 1:** Investments in associate, joint ventures and subsidiary have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

## Fair value hierarchy

The fair value of financial instruments as referred above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I measurements) and lowest priority to unobservable inputs (Level III measurements).

**The categories used are as follows:-**

**Input Level I (Directly Observable) :** which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges.

**Input Level II (Indirectly Observable) :** which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses, etc.

**Input Level III (Unobservable):** which includes management's own assumptions for arriving at a fair value such as projected cash flow used to value a business, etc.

## B. Measurement of fair values

### i) Valuation techniques and significant unobservable inputs

The fair value of the investment in quoted investment in equity shares is based on the current bid price of investment at balance sheet date

### ii) Transfer between Level I and II

There has been no transfer in between Level I and Level II

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## iii) Level III fair values

There are no items in Level III fair values.

## C. Financial risk management

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors evaluate and exercise independent control over the entire process of risk management. The board also recommends risk management objectives and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### (i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counter parties.

### Other Financial Assets

This comprises mainly of deposits with banks and retention money receivables. Credit risk arising from deposits with banks is limited as the counter parties are banks . Banks have high credit ratings assigned by the credit rating agencies. Credit risk arising from retention money is included in trade receivables.

### Trade and other receivable

Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Credit limits are established for all customers based on flat booking terms. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed economically.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each



# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 -Financial instruments. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. Proportion of expected credit loss provided for across the ageing buckets is summarised below:

## Impairment

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The calculation is based on defined percentage based on past experiences in the business ascertained by the management.

**Summary of the company's exposure to credit risk from various customer is as follows:**

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
Trade Receivable	8.00	63.00
Less: Provision for Doubtful Debt	(3.50)	-
<b>Net Trade Receivable</b>	<b>4.50</b>	<b>63.00</b>

**Movement in the provision for doubtful in respect of trade and other receivables are as follows:**

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	-	-
Provision / (Reversal) during the year	3.50	-
<b>Balance at the end of the year</b>	<b>3.50</b>	<b>-</b>

## Cash and bank balances

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect of cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre-determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

## Other financial assets

Other financial assets includes loan to employees and related parties, security deposits, etc. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks. Banks have high credit ratings assigned by the international credit rating agencies.

## (ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In addition to the Company's own liquidity, it enjoys credit facilities with the reputed bank and financial institutions.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flow. The Company's liquidity management policy involves periodic reviews of cash flow projections and considering the level of liquid assets necessary, monitoring balance sheet, liquidity ratios against internal and external regulatory requirements.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## Exposure to liquidity risk

(₹ in lakhs)

31 March 2023	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Trade payable	913.96	39.39	874.57	-	-	-
Other financial liability						
- Non-current	461.50	-	-	-	461.50	-
- Current	26.41	-	26.41	-	-	-

(₹ in lakhs)

31 March 2022	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Trade payable	200.94	39.39	160.95	0.60	-	-
Other financial liability						
- Non-current	327.08	-	-	-	327.08	-
- Current	1.93	-	1.93	-	-	-

## (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and debt. The company does not have any foreign currency exposure as at balance sheet date. Accordingly, company does not have currency risk.

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company's liquidity and borrowing are managed by professional at senior management level. The interest rate exposure of the Company is reduced by matching the duration of investments and borrowings. The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Fixed-rate instrument</b>		
Financial asset	2,399.96	2,251.31
Financial liability	-	-
<b>Floating-rate instrument</b>		
Financial asset	306.86	-
Financial liability	-	-

## Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	Increase on profit/(loss) after tax
<b>31 March 2023</b>	
Increase in 100 basis point	3.06
Decrease in 100 basis point	(3.06)
<b>31 March 2022</b>	
Increase in 100 basis point	-
Decrease in 100 basis point	-

## 34 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'Debt' to 'Equity'. For this purpose, 'Debt' is meant to include long-term borrowings, short-term borrowings and current maturities of long-term borrowings. 'Equity' comprises all components of equity. The Company's debt to equity ratio as at the end of the reporting periods are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt	-	-
Less : Cash and bank balances	1,162.08	71.60
<b>Adjusted net debt</b>	<b>(1,162.08)</b>	<b>(71.60)</b>
<b>Total equity</b>	<b>12,304.72</b>	<b>12,705.15</b>
<b>Debt to equity (net)</b>	<b>(0.09)</b>	<b>(0.01)</b>

## 35 Leases

### a) As a Lessor

Company has not let out any property on lease during the year as well as previous year. Accordingly no disclosure in respect of the same is applicable.

### b) As a Lessee

The company has taken office premises on lease. The terms of lease includes terms of renewals, increase in rent in future periods, terms of cancellation, etc. The agreement is executed for a period of 3 years with a renewable clause and also provide for termination at will by either party giving a prior notice of 1 months at any time during the lease term and hence considered the same to be of short term lease in nature under Ind AS 116. Accordingly, no further disclosures are applicable.

Lease rental expense debited to statement of profit and loss is ₹ 2.10 lakhs (31 March 2022 : ₹ 2.04 lakhs)

## 36 Disclosure as per Ind AS 115

### (a) Disaggregation of revenue from contracts with customers

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Revenue</b>		
Development of projects - with construction	101.08	532.70
<b>Total</b>	<b>101.08</b>	<b>532.70</b>

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

## (b) Contract assets

The contract assets represents amount due from customers which primarily relate to the company's right to consideration for work executed but not billed at the reporting date. The contract asset are transferred to receivable when the rights become unconditional i.e. when invoice is raised on achievement of contractual milestones. This usually occurs when the company issues an invoice to the customer. The contract liabilities primarily represent advance received from customer for which invoice are yet to be raised on customers pending achievement of milestone.

The following table provides information about trade receivables and contract assets:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Contract Assets	-	-
Contract Liabilities	5,083.67	-

Changes in contract asset during the year are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1st April	-	1,201.70
Unbilled revenue for the year	-	-
Contract Asset reclassified to trade receivables	-	1,201.70
<b>Balance as at 31st March</b>	<b>-</b>	<b>-</b>

Changes in contract liabilities during the year are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1st April	-	-
Less: Amount adjusted against billings made during the year	-	-
Add: Advances received during the year	5,083.67	-
<b>Balance as at 31st March</b>	<b>5,083.67</b>	<b>-</b>

## (c) Transaction price allocated to remaining performance obligations

The transaction price allocated to remaining performance obligations (unsatisfies or partially satisfied) is as follows:

(₹ in lakhs)

Particulars	Within One Year	More Than One Year	Total
Revenue from Construction and Development of Projects	-	5,083.67	5,083.67

## (d) Transaction price allocated to remaining performance obligations

There are no adjustments made to the contracted price with customers which need to be reconciled to revenue recognized in the statement of profit and loss

# Notes to the standalone Financial Statements

for the year ended on 31 March 2023

## 37 Ratio Analysis

(₹ in lakhs)

Sr. No.	Ratio	Numerator	Denominator	FY 2022-23 Numerator	FY 2022-23 Denominator	FY 2021-22 Numerator	FY 2021-22 Denominator	31st March 2023	31st March 2022	% Variance	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	16,317.73	6,246.47	10,992.63	218.04	2.61	50.42	-94.8%	Due to increase in contract liability (Refer note number 36)
2	Debt equity ratio	Total Debt	Shareholder's Equity	-	12,304.72	-	12,705.15	-	-	-	-
3	Debt service coverage ratio	Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc	Interest & Lease Payments + Principal Repayments	(563.13)	-	201.86	-	-	-	-	-
4	Return on Equity	Net Profits after taxes - Preference Dividend (if any)	Shareholder's Equity	(401.62)	12,304.72	129.02	12,705.15	(0.03)	0.01	-421.4%	Due to recognition of marketing expense pertaining to new project in profit and loss account.
5	Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory (Opening + Closing balance / 2)	101.08	8,416.80	532.70	6,566.28	0.01	0.08	-85.2%	Due to increase in inventory.
6	Trade receivable turnover ratio	Net Credit Sales (gross credit sales minus sales return)	Average Accounts Receivable (Opening + Closing balance / 2)	101.08	33.75	532.70	48.10	2.99	11.07	-73.0%	Due to decrease in revenue from operations.
7	Trade payable turnover ratio	Cost of material consumed and project expenses	Average Accounts Payable	75.04	557.45	504.38	1,114.67	0.13	0.45	-70.3%	On account of decrease in revenue which leads to decrease in cost of material consumed.
8	Net capital turnover	Revenue from operations	Working capital	101.08	10,071.26	532.70	10,774.59	0.01	0.05	-79.7%	Due to decrease in revenue from operations.
9	Net profit ratio	Net Profit	Net Sales	(401.62)	101.08	129.02	532.70	-397.33%	24.22%	-1740.6%	Due to recognition of marketing expense pertaining to new project in profit and loss account.
10	Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability) Or Total Assets - Current Liabilities	(556.57)	12,115.81	215.56	12,670.90	-4.59%	1.70%	-370.0%	Due to recognition of marketing expense pertaining to new project in profit and loss account.
11	Return on investment	Return	Investment	3.62	515.00	-	-	0.01	-	-	Due to increase in investment.

**38 Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Regulations, 2015 and Section 186(4) of the Companies Act, 2013).**

(₹ in lakhs)

Particulars	As at 31 March 2023	Maximum balance outstanding during 2022-23	As at 31 March 2022	Maximum balance outstanding during 2021-22
<b>Details of loans given:</b>				
Ginger Properties Pvt. Ltd.	573.02	573.02	504.86	504.86
Modi Buildwell Ltd	-	254.46	254.46	724.59
RJD Buildcon Limited	-	-	-	126.99
Signet Vyapaar Pvt Ltd	496.56	496.56	455.56	455.56
Vitese Trading Pvt Ltd	-	-	-	201.33
Suresh Thakkar	1,120.38	1,120.38	1,036.43	1,355.27

All loans are given for the purpose of the business

**39** No Material event have occurred between the Balance sheet date to the date of issue of this standalone financial statement that could affect the values stated in the financials statements as at 31 March 2023

**40 Other Statutory Information**

- The Company has not availed loans from banks on the basis of security of current assets.
- The company has not been declared a wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.
- There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- The company has not traded or invested in Crypto currency or Virtual Currency during the reporting periods.
- The company has neither advanced, loaned or invested funds nor received any fund to/from any person or entity for lending or investing or providing guarantee to/on behalf of the ultimate beneficiary during the reporting periods.
- There is no immovable property whose title deed is not held in the name of the company.
- There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- The company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.
- The company does not have any transaction not recorded in the books of accounts that has been surrendered or not disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961.
- The Company has not entered into any transaction with struck off companies under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Further, there is no balance outstanding with struck off companies.

# Notes to the Standalone Financial Statements

for the year ended on 31 March 2023

- 41** The figures for the previous year have been regrouped/reclassified wherever necessary to confirm with the current year's classification.

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants

Firm's Registration No: 102511W/W100298

**For and on behalf of the Board of Directors of**

**Nila Spaces Limited**

**CIN No. :L45100GJ2000PLC083204**

**Parth S Dadawala**

Partner

Membership No: 134475

**Jasvinder S Rana**

Chairman

DIN : 01749361

**Anand B Patel**

Managing Director

DIN : 07272892

Place : Ahmedabad

Date : 13 May 2023

**Prashant H Sarkhedi**

Chief Financial Officer

Place : Ahmedabad

Date : 13 May 2023

**Gopi V Dave**

Company Secretary

Place : Ahmedabad

Date : 13 May 2023



# Independent Auditors' Report

To the Members of Nila Spaces Limited

## I. Report on the Audit of the Consolidated Financial Statements

### 1. Opinion

- A We have audited the accompanying Consolidated Financial Statements of NILA SPACES LIMITED ('the Holding Company', together referred to as the 'Group'), its associate and its joint ventures, as listed in annexure I, which comprise the consolidated balance sheet as at 31 March 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').
- B In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of associate, and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at 31 March 2023, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion

### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the circumstances and facts of the audit and entity, there are no key audit matters to be communicated in our report.

### 4. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

- A The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

## 5. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements 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 consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 associate and joint ventures is responsible for overseeing the financial reporting process of each entity.

## 6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- i) Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- v) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, 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. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. Other Matters

- a. The Statement includes financial result of an associate company which reflects group's share of net profit / (loss) after tax of ₹ (4.61) lakhs and total comprehensive income of ₹ (4.61) lakhs for the year ended 31st March, 2023, as considered in the consolidated audited financial results, in respect of one associate, based on their audited financial results, which are audited by other auditors. These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the statement, in so far it relates to the amount and disclosure in respect of associate is solely based on report of the said auditors and the procedure performed by us as stated in the paragraph above.

Our opinion on the consolidated financial statement is not modified in respect to our reliance on the work done and report of the other auditors as referred in para above.

- b. The Statement includes financial result of a joint venture which reflects group's share of net profit / (loss) after tax of ₹ (0.41) lakhs and total comprehensive income of ₹ (0.41) lakhs for the year ended 31 March 2023, as considered in the consolidated audited financial results, in respect of one joint venture, based on their financial information, which are certified by the management. These financial statements are unaudited and have been certified by the management and our opinion on the statement, in so far it relates to the amount and disclosures in respect of joint venture, is based on solely on such unaudited financial statements. According to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion on the consolidated financial results is not modified in respect to our reliance on the financial information certified by the management.

## 8. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- A We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- B In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the management.
- C The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- D In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- E. On the basis of the written representations received from the directors of holding company as on 31 March 2023 taken on record by the Board of Directors of holding company and the reports of the statutory auditors of its, associate incorporated in India, none of the directors of the Group companies, its associate incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act
- F. With respect to the adequacy of the internal financial controls with reference to financial statements of the holding Company, its associate company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to financial statements.
- G With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- H With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 financial statements of the associate and joint ventures, as noted in the 'Other Matters' paragraph:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note No. 32 of Consolidated Financial Statement.
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
  - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its associate during the year ended 31 March 2023.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Group has not declared or paid dividend during the year covered by our audit.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its Associates w.e.f. 01 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants

Firm's Registration Number: 102511W/W100298

**CA Parth S. Dadawala**

Partner

Membership Number: 134475

UDIN: 23134475BGVZUL3043

Place: Ahmedabad

Date: 13 May 2023

**Annexure - I**

Sr. No.	Name of Entity	Relationship
1	Nila Projects LLP	Joint Venture
2	Megacity Cinemall Pvt Ltd	Associate

## Annexure A

Referred in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date to the members of Nila Spaces Limited on the consolidated financial statements as of and for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the company and based on the Companies (Auditor’s Report) Order, 2020 (CARO) report issued by respective companies’ auditor included in the consolidated financial statement to which reporting under CARO is applicable, as furnished to us by the management and to the best of our knowledge and belief, we state that:

(xxi) As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

Sr. No.	Name of Company	Relationship with Group	Clause Number of CARO Report which is remarks reported
1	Nila Spaces Limited	Holding Company	iii, vii

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants

Firm’s Registration Number: 102511W/W100298

**CA Parth S. Dadawala**

Partner

Membership Number: 134475

UDIN: 23134475BGVZUL3043

Place: Ahmedabad

Date: 13 May 2023

## Annexure-B

### **Independent Auditors' report on the Consolidated financial statements of Nila Spaces Limited for the year ended 31 March 2023.**

Report on the internal financial controls with reference to the aforesaid Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph I(A)(t) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **1. Opinion**

In conjunction with our audit of the consolidated financial statements of the Nila Spaces Limited as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to consolidated financial statements of Nila Spaces Limited (hereinafter referred to as "the Holding Company") and one associate company to which requirements of the Act are applicable, as of that date.

In our opinion, the Holding Company and one associate company to which requirements of the Act are applicable, have, in all material respects, adequate internal financial controls and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **2. Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **3. Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standard on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls and their operating effectiveness. Our audit of internal financial controls included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the associate company, to which requirements of the Act are applicable, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.



#### **4. Meaning of Internal Financial controls with Reference to Financial Statements**

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **5. Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **6. Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one associate company, to which requirements of the Act are applicable, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants

Firm's Registration Number: 102511W/W100298

**CA Parth S. Dadawala**

Partner

Membership Number: 134475

UDIN: 23134475BGVZUL3043

Place: Ahmedabad  
Date: 13 May 2023

# Consolidated Balance Sheet

as at 31 March 2023

(₹ in lakhs)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment	4	23.68	5.61
(b) Investments Properties	5	661.07	686.00
(c) Financial Assets			
(i) Investments	6	656.22	660.53
(ii) Other Financial Assets	8	210.00	-
(d) Other non current assets	9	93.44	11.47
(e) Deferred Tax Asset (net)	30D	188.91	34.25
<b>Total non current assets</b>		<b>1,833.32</b>	<b>1,397.86</b>
<b>Current assets</b>			
(a) Inventories	10	9,875.66	6,957.94
(b) Financial assets			
(i) Trade receivables	11	4.50	63.00
(ii) Cash and cash equivalents	12	1,162.08	71.60
(iii) Investment	6	306.86	-
(iv) Loans	7	2,189.96	2,251.31
(c) Other current assets	13	2,744.94	1,648.28
(d) Current Tax Asset (net)	14	33.73	0.50
<b>Total current assets</b>		<b>16,317.73</b>	<b>10,992.63</b>
<b>Total assets</b>		<b>18,151.05</b>	<b>12,390.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	3,938.89	3,938.89
(b) Other equity	16	7,479.33	7,884.36
<b>Total equity</b>		<b>11,418.22</b>	<b>11,823.25</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	18	461.50	327.08
(b) Provisions	20	24.86	22.12
<b>Total non current liabilities</b>		<b>486.36</b>	<b>349.20</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables			
(ia) Due to micro & small enterprises	17	35.85	-
(ib) Due to Others	17	878.11	200.94
(ii) Other financial liabilities	18	26.41	1.93
(b) Other current liabilities	19	5,195.64	13.83
(c) Provisions	20	110.46	1.34
<b>Total current liabilities</b>		<b>6,246.47</b>	<b>218.04</b>
<b>Total liabilities</b>		<b>6,732.83</b>	<b>567.24</b>
<b>Total equity and liabilities</b>		<b>18,151.05</b>	<b>12,390.49</b>

The accompanying notes 1 to 43 form an integral part of these Consolidated financial statements.

As per our report of even date attached

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants

Firm's Registration No: 102511W/W100298

**Parth S Dadawala**

Partner

Membership No: 134475

Place : Ahmedabad

Date : 13 May 2023

**For and on behalf of the Board of Directors of**

**Nila Spaces Limited**

**CIN No. :L45100GJ2000PLC083204**

**Jasvinder S Rana**

Chairman

DIN : 01749361

**Prashant H Sarkhedi**

Chief Financial Officer

Place : Ahmedabad

Date : 13 May 2023

**Anand B Patel**

Managing Director

DIN : 07272892

**Gopi V Dave**

Company Secretary

Place : Ahmedabad

Date : 13 May 2023

# Consolidated Statement of Profit and Loss

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	21	101.08	532.70
Other income	22	241.64	401.29
<b>Total income</b>		<b>342.72</b>	<b>933.99</b>
<b>Expenses</b>			
Cost of material consumed and project expenses	23	75.04	504.38
Employee benefits expenses	24	123.88	144.66
Finance costs	25	0.44	26.54
Depreciation	4 & 5	11.21	15.33
Other expenses	26	688.75	174.39
<b>Total expenses</b>		<b>899.32</b>	<b>865.30</b>
<b>Profit before share of profit from joint venture, associates &amp; tax</b>		<b>(556.60)</b>	<b>68.69</b>
<b>Share of profit / (loss) from JV and Associates</b>		<b>(5.02)</b>	<b>(3.85)</b>
<b>Profit before tax</b>		<b>(561.62)</b>	<b>64.84</b>
<b>Tax expense:</b>			
(a) Current Tax	30	-	35.13
(b) MAT Credit Entitlement	30	-	4.21
(c) Adjustments of tax for earlier years	30	0.83	19.30
(d) Deferred tax charge/(credit) (net)	30	(156.22)	18.32
<b>Tax Expense</b>		<b>(155.39)</b>	<b>76.96</b>
<b>Profit for the year</b>		<b>(406.23)</b>	<b>(12.12)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of post-employment benefit obligation	16	1.66	2.29
Income tax relating to these items	16	(0.46)	(0.64)
<b>Other comprehensive income for the year, net of tax</b>		<b>1.20</b>	<b>1.65</b>
<b>Total comprehensive income for the year</b>		<b>(405.03)</b>	<b>(10.47)</b>
<b>Earnings per equity share (Face value ₹ 1 per share)</b>			
Basic	27	(0.10)	(0.00)
Diluted	27	(0.10)	(0.00)

The accompanying notes 1 to 43 form an integral part of these Consolidated financial statements.  
As per our report of even date attached

**For Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 102511W/W100298

**For and on behalf of the Board of Directors of  
Nila Spaces Limited**  
CIN No. :L45100GJ2000PLC083204

**Parth S Dadawala**  
Partner  
Membership No: 134475

**Jasvinder S Rana**  
Chairman  
DIN : 01749361

**Anand B Patel**  
Managing Director  
DIN : 07272892

Place : Ahmedabad  
Date : 13 May 2023

**Prashant H Sarkhedi**  
Chief Financial Officer

**Gopi V Dave**  
Company Secretary

Place : Ahmedabad  
Date : 13 May 2023

Place : Ahmedabad  
Date : 13 May 2023

# Consolidated Statement of Changes in Equity

for the year ended on 31 March 2023

## A. Equity share capital (Refer Note No. 15)

(₹ in lakhs)

Particulars	Balance at the beginning of the year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current period	Changes in equity share capital during the year	Balance at the end of the year
As at 31 March 2022	3,938.89	-	3,938.89	-	3,938.89
As at 31 March 2023	3,938.89	-	3,938.89	-	3,938.89

## B. Other Equity (Refer Note No. 16)

(₹ in lakhs)

Particulars	Reserves and Surplus				Total
	Retained earnings	Capital reserve	Securities premium account	General reserve	
Balance as at 01 April 2021	333.58	7,547.55	5.80	7.90	7,894.83
Profit for the year	(12.12)	-	-	-	(12.12)
Items of other comprehensive income					
Remeasurement of post-employment benefit obligation	1.65	-	-	-	1.65
Balance as at 31 March 2022	323.11	7,547.55	5.80	7.90	7,884.36
Profit for the year	(406.23)	-	-	-	(406.23)
Items of other comprehensive income					
Remeasurement of post-employment benefit obligation	1.20	-	-	-	1.20
Balance as at 31 March 2023	(81.92)	7,547.55	5.80	7.90	7,479.33

The accompanying notes 1 to 43 form an integral part of these Consolidated financial statements.  
As per our report of even date attached

**For Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 102511W/W100298

**For and on behalf of the Board of Directors of  
Nila Spaces Limited**  
CIN No. :L45100GJ2000PLC083204

**Parth S Dadawala**  
Partner  
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DIN : 01749361

**Anand B Patel**  
Managing Director  
DIN : 07272892

Place : Ahmedabad  
Date : 13 May 2023

**Prashant H Sarkhedi**  
Chief Financial Officer

**Gopi V Dave**  
Company Secretary

Place : Ahmedabad  
Date : 13 May 2023

Place : Ahmedabad  
Date : 13 May 2023

# Consolidated Statement of Cash Flow

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash flow from operating activities</b>		
<b>Profit/(Loss) before tax</b>	<b>(561.62)</b>	<b>64.84</b>
<b>Adjustments for:</b>		
Finance cost	0.44	26.54
Depreciation	11.91	15.33
Profit/Loss on sale/discard of fixed asset (net)	(17.77)	(29.03)
Amortisation of Processing Fees	-	5.94
Share of loss from LLP	5.02	3.85
Provision for Doubtful debt	3.50	-
Interest income	(216.33)	(339.05)
<b>Operating profit/(loss) before working capital changes</b>	<b>(774.85)</b>	<b>(251.58)</b>
<b>Changes in working capital adjustments</b>		
(Increase)/Decrease in Trade Receivables	55.00	(29.80)
(Increase)/Decrease in Other Current Assets	(1,096.67)	399.14
(Increase)/Decrease in Other Non Current Assets	(81.97)	(8.40)
(Increase)/Decrease in Inventories	(2,917.72)	(783.33)
Increase/(Decrease) in Trade Payables	713.02	(1,827.45)
Increase/(Decrease) in Other Financial Liabilities	158.90	326.21
Increase/(Decrease) in Other Current Liabilities	5,181.80	2.44
Increase/(Decrease) in Provisions	113.52	3.41
<b>Cash generate from/(used in) operations</b>	<b>1,351.03</b>	<b>(2,169.36)</b>
Less: Income taxes paid (net)	(32.96)	(14.15)
<b>Net cash flow from/(used in) operating activities [A]</b>	<b>1,318.07</b>	<b>(2,183.51)</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment	(48.08)	(94.35)
Sale of Fixed Asset	60.80	263.65
(Investment)/Withdrawal of Investment in Joint Ventures	(0.70)	1,543.11
(Investment)/Withdrawal of Investment in Mutual Fund	(306.86)	
(Investment)/Withdrawal of Investment in Fixed deposit	(210.00)	-
Interest Income	-	2.73
Loans (Given to)/Repaid by related Party (net)	-	0.27
Loans (Given to)/Repaid by others (net)	277.69	1,497.97
<b>Net cash flow from/(used in) investing activities [B]</b>	<b>(227.15)</b>	<b>3,213.38</b>
<b>Cash flow from financing activities</b>		
Proceeds from / (Repayment) of Long Term Borrowings (net)	-	(966.24)
Finance cost paid	(0.44)	(26.54)
<b>Net cash flow (used in) financing activities [C]</b>	<b>(0.44)</b>	<b>(992.78)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,090.48</b>	<b>37.09</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>71.60</b>	<b>34.51</b>
<b>Cash and cash equivalents at the end of the year (see note 2)</b>	<b>1,162.08</b>	<b>71.60</b>

# Consolidated Statement of Cash Flow

for the year ended on 31 March 2023

## Notes:

- The above statement of Cash Flow has been prepared under "Indirect method" as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flow".
- Cash and cash equivalents as per above comprise of the following:

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash on hand	0.35	1.58
Balance with banks	1,161.73	70.02
<b>Cash and cash equivalents</b>	<b>1,162.08</b>	<b>71.60</b>

As per our report of even date attached

**For Dhirubhai Shah & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 102511W/W100298

**For and on behalf of the Board of Directors of  
Nila Spaces Limited**  
**CIN No. :L45100GJ2000PLC083204**

**Parth S Dadawala**  
Partner  
Membership No: 134475

**Jasvinder S Rana**  
Chairman  
DIN : 01749361

**Anand B Patel**  
Managing Director  
DIN : 07272892

Place : Ahmedabad  
Date : 13 May 2023

**Prashant H Sarkhedi**  
Chief Financial Officer

**Gopi V Dave**  
Company Secretary

Place : Ahmedabad  
Date : 13 May 2023

Place : Ahmedabad  
Date : 13 May 2023

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 1. Group overview

Nila Spaces Limited ('the Group') is based in Ahmedabad, Gujarat with its Registered Office situated at 1st Floor, Sambhaav House, Opp. Chief Justice Bungalow, Bodakdev, Ahmedabad - 380015. Nila Spaces Limited is a public Company incorporated on 03 May 2000 and listed on BSE (Bombay Stock Exchange of India Limited) and NSE (National Stock Exchange of India Limited). The Holding Company, together with its joint ventures and associate, collectively referred to as ('the Group') is engaged in the development of real estate comprising of residential and commercial projects. These consolidated financial statements comprise the financial statements of the Holding Company, joint ventures and the associate.

## 2. Basis of preparation and measurement

### 2.1 Statement of compliance

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

The consolidated financial statements for the year ended 31 March 2023 have been reviewed by audit committee and subsequently approved by Board of Directors at its meetings held on 13 May 2023.

Details of the Group's significant accounting policies are included in note 3.

### 2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees, which is also the Group's functional currency. All the amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

### 2.3 Basis of Measurement

The consolidated financial statements have been prepared on going Concern basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2.4 Use of estimates and judgments

In preparing this consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized prospectively.

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

Note 3(c) (d) – Useful life used for the purpose of depreciation on property, plant and equipment and investment properties and amortization of intangible assets.

Note 3(f) - Identification of the building as an investment property

Note 3(g) – Impairment of financial and non-financial assets

Note 3(h) – Recognition and measurement of defined benefit obligations, key actuarial assumptions

Note 3(i) - Evaluation of percentage completion for the purpose of revenue recognition



# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

Note 3(j) – Fair value measurement of financial instruments

Note 3(k) – Current / deferred tax expense and recognition and evaluation of recoverability of deferred tax assets

Note 3(m) – Provisions and contingencies

Note 3(q) – Lease classification

## 2.5 Measurement of fair values

The Group's accounting policies and disclosures requires the measurement of fair values for financial instruments.

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

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 - Investment property

Note 33 – Financial instruments

## 3. Significant Accounting Policies

### a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Operating cycle for project related assets and liabilities is the time start of the project to their realization in cash or cash equivalents. Operating cycle for all other assets and liabilities has been considered as twelve months.

### b) Basis of consolidation

#### i) Joint ventures and associate

The Group's interest in equity accounted investees comprises interest in joint ventures and associate.

An associate is an entity in which the Group has significant influence but not control or joint control. A joint venture is an arrangement in which the Group has joint control and has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures and associates are accounted for using the equity method. They are initially recognized at cost. Subsequent to initial recognition, the consolidated financial statements include the

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

Group's share of profit and loss and other comprehensive income of equity accounted investees until the date on which the significant influence or joint control ceases.

When the Group's share of losses in any equity accounted investments equals or exceeds its interest in an entity; the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of other entity.

## ii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted there after to recognize the Group's share of post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

When the Group's share of loss in equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Groups interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of assets transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

## iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Deferred tax asset or liability is created on any temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

These Consolidated Financial Statements have been prepared in accordance with the above principles. These comprise of the Holding Company and the following entities –

Name of the Company	Country of Incorporation	Effective % of holding as at 31 March 2023	Effective % of holding as at 31 March 2022
Nila Projects LLP	India	99.97%	99.97%
Megacity Cinemall Pvt Ltd	India	42.50%	42.50%

## c) Property, plant and equipment

### Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

## Subsequent measurement

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

## Depreciation

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as other non-current assets.

## Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss.

## d) Intangible assets and amortization

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

## Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits associated with the expenditure will flow to the Group. All other expenditure is recognized in the Statement of Profit and Loss as incurred

## Amortisation

Intangible assets are amortized on a straight-line basis (pro-rata from the date of additions) over estimated useful life of four years.

## Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of intangible assets and is recognized in the Statement of Profit and Loss account.

## e) Capital work-in-progress and intangible assets under development

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/intangible assets under development which are not yet ready for their intended use and are carried at cost less accumulated impairment loss, if any.

Depreciation/amortisation is not provided on capital work-in-progress and intangible assets under development until construction/installation are complete and the asset is ready for its intended use.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## **f) Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

### **Recognition and measurement**

Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

### **Depreciation**

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of investment properties equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **Fair value disclosure**

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Any gain or loss on disposal of an investment property is recognized in Statement of Profit and Loss.

## **g) Impairment of non-financial assets**

Non-financial assets of the Group, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

## **h) Employee benefits**

### **Short term employee benefits**

Short term employee benefit obligations are measured on an undiscounted expenses and are expensed as the related services are provided. A liability is recognized for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards government administered schemes. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the services are rendered by the employees.

## Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefits is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognized in the Statement of Profit and Loss in the period in which they arise.

## Share-based payments

Employees of the Group receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognized as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer on the basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

Cancellation of Share based payment is accounted as an acceleration of vesting, and therefore recognize immediately the amount that otherwise would have been recognized for services received over the reminder vesting period. The amount that would have been recognized is based on an estimate on the date of cancellation – i.e. estimating how many instruments are expected to vest at the original vesting date.

## i) Revenue recognition

### (i) Recognition of Revenue from Real Estate Development:

Revenue is recognised on satisfactory performance obligations in a contract with customers, allocation of transaction price to the performance obligations and recognition of revenue as the performance obligations are satisfied either at a point in time or over a period of time. While recognizing revenue, the cost of land has been allocated in proportion to the percentage of work completed. If the outcome of a construction contract can be estimated reliably, contract revenue is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognized as expenses as incurred unless they create an asset is related to future contract activity. An expected loss on a contract is recognized immediately in the Statement of Profit and Loss.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably,

### (ii) Land and transferrable development rights

Revenue from contracts for sale of land and transferrable development rights is recognized at a point in time when control is transferred to the customer and it is probable that consideration will be collected. This is usually deemed to be legal completion as this is the point at which the Group has an enforceable right to payment. Revenue from sale of land and transferrable development rights is measured at the transaction price specified in the contract with the customer.

### (iii) Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognized for the earned consideration that is conditional.

A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

### (iv) Lease rental income

Lease income from operating leases shall be recognized in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Income from leasing of commercial complex is recognized on an accrual basis in accordance with lease agreements. Refer note 3 (q) for accounting policy on leases.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## (v) Share in profit/ loss of Limited liability partnerships (“LLPs”) and partnership firm

The Group’s share in profits from LLPs and partnership firm, where the Group is a partner, is recognized as income in the statement of profit and loss as and when the right to receive its profit/ loss share is established by the Group in accordance with the terms of contract between the Group and the partnership entity.

## (vi) Interest Income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

## (vii) Dividend Income

Revenue is recognized when the shareholders’ or unit holders’ right to receive payment is established, which is generally when shareholder approve the dividend.

## j) Financial instrument

### Financial assets

#### Classification

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

#### Initial recognition and measurement

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through the Statement of Profit and Loss (FVTPL), its transaction cost is recognized in the Statement of Profit and Loss. In other case, the transaction costs are attributed to the acquisition value of the financial asset.

#### Subsequent measurement and gains and losses

#### Financial assets are subsequently classified as measured at

- **Financial assets at amortized cost:** These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment is recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.
- **Fair value through profit and loss (FVTPL):** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the Statement of Profit and Loss.
- **Fair value through other comprehensive income (FVOCI):** These assets are subsequently measured at fair value. Dividends are recognized as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in OCI and are not reclassified to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.



# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## Trade receivables and loans

Trade receivables and loans are initially recognized at fair value when they are originated. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

## Equity instrument

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognized as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

## Derecognition

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

- The right to receive cash flows from the asset have expired; or
- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## Impairment of financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Group recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognized in Statement of Profit and Loss.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

### Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through Statement of Profit and Loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## **Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

## **Offsetting of financial instruments**

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

## **k) Income taxes**

Income tax comprises of current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in OCI.

### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

### **Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available.

### **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) credit is recognized as a deferred tax assets only when and to the extent there is a convincing evidence that the group will pay normal tax during the specified period. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

## **l) Inventories**

Inventory comprises of land, Finished Goods of Residential project and land development rights.

Land and land development rights are valued at lower of cost or net realizable value. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing cost and other related overhead as the case may be. In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the immediate period, generally, the land is not registered in the name of the Group.

Direct expenditures relating to real estate activity are inventorized. Other expenditure (including borrowing costs) during construction period is inventorized to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. **Work-in-progress (including land inventory):** Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.
- ii. **Finished goods – unsold residential unit, commercial unit, plots:** Valued at lower of cost and net realizable value.
- iii. **Construction material:** Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## m) Provisions and contingencies

A provision is recognized if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed in the Notes to the Consolidated Financial Statements. Contingent liabilities are disclosed for:

- possible obligations which will be confirmed only by future events not wholly within the control of the Group, or
- present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

## n) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

## o) Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid, which are subject to insignificant risk of changes in value

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## p) Investments in joint venture and associates

The group has elected to recognise its investments in associate and joint venture companies at cost in accordance with the option available in IND AS 27 Separate Financial Statements

## q) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 3(e) on impairment of non-financial assets.

## ii) Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## iii) Short term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## **Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

## **r) Earnings per share**

Basic earnings per share is computed by dividing the net profit for the year attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events such as bonus shares, other than conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

In a capitalization or bonus issue or share split, ordinary shares are issued to equity shareholders for no additional consideration. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

## **s) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

## **t) Advance paid towards land procurement**

Advances paid by the Group to the seller/intermediary towards outright purchase of land is recognized as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to land stock under inventories. Management is of the view that these advances are given under normal trade practices and are neither in the nature of loans nor advance in the nature of loans.

## **u) Recent accounting pronouncement**

**New Accounting standards, amendments and interpretations adopted by the Group effective from 01 April 2023:**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

**Ind AS 1, Presentation of Financial Statements** – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.

**Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors** – This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

**Ind AS 12, Income Taxes** – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

## v) New Amendments not yet adopted by the Group

### i. Code on Social Security, 2020:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13 November 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 4 Property, Plant & Equipment

(₹ in lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	For the Year	Deductions	As at 31 March 2023	As at 1 April 2022
Computer	-	6.69	-	6.69	-	0.48	-	0.48	6.21
Office Equipments	14.65	2.16	14.65	2.16	9.97	0.03	9.97	0.03	4.68
Plant & Machinery	-	0.38	-	0.38	-	0.01	-	0.01	0.37
Vehicle	1.20	-	-	1.20	0.27	0.11	-	0.38	0.93
Furniture & Fixtures	-	14.40	-	14.40	-	0.25	-	0.25	14.15
<b>Total</b>	<b>15.85</b>	<b>23.63</b>	<b>14.65</b>	<b>24.83</b>	<b>10.24</b>	<b>0.88</b>	<b>9.97</b>	<b>1.15</b>	<b>5.61</b>

The Group has transferred depreciation amounting to ₹ 0.69 lakhs (31 March 2022: Nil) to Project WIP for the FY 2022-23.

(₹ in lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1 April 2021	Additions	Deductions	As at 31 March 2022	As at 1 April 2021	For the Year	Deductions	As at 31 March 2022	As at 1 April 2021
Computer	0.49	-	0.49	-	0.33	0.12	0.45	-	0.16
Office Equipments	16.34	-	1.69	14.65	8.00	3.10	1.13	9.97	8.34
Plant & Machinery	0.08	-	0.08	-	0.02	0.01	0.03	-	0.06
Vehicle	1.20	-	-	1.20	0.15	0.11	-	0.27	1.05
<b>Total</b>	<b>18.11</b>	<b>-</b>	<b>2.26</b>	<b>15.85</b>	<b>8.50</b>	<b>3.34</b>	<b>1.60</b>	<b>10.24</b>	<b>9.61</b>

## 5 Investments Properties

(₹ in lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	For the Year	As at 31 March 2023	As at 1 April 2022
Building & Office Premises	718.63	24.45	41.00	702.08	32.64	11.02	2.66	41.00
Total	718.63	24.45	41.00	702.08	32.64	11.02	2.66	41.00

(₹ in lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1 April 2021	Additions	Deductions	As at 31 March 2022	As at 1 April 2021	For the Year	Deductions	As at 31 March 2022	As at 1 April 2021
Building & Office Premises	870.20	94.35	245.92	718.63	32.59	11.98	11.94	32.63	837.61
<b>Total</b>	<b>870.20</b>	<b>94.35</b>	<b>245.92</b>	<b>718.63</b>	<b>32.59</b>	<b>11.98</b>	<b>11.94</b>	<b>32.63</b>	<b>837.61</b>



# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## Amount recognized in Statement of Profit and Loss from Investment Properties

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Profit from sale of Investment Properties	22.45	29.67
Less : Depreciation during the year	11.02	11.98
<b>Income/(Expense) from Investment Properties</b>	<b>11.43</b>	<b>17.69</b>

## Fair Value of Investment Property

The Group's Investment Property consist of commercial and residential properties. The fair value of Investment property is ₹ 1090.88 Lakhs (31 March 2022: ₹ 995.81 Lakhs). The valuations is based on valuation performed by an accredited independent valuer and is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value of the Group's investment properties have been arrived by Market approach using sales comparison method. The fair value measurement of the investment properties has been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

## 6 Investments

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non Current</b>		
<b>Investments in Joint Ventures (at cost)</b>		
Nila Projects LLP - Fixed Capital	10.00	10.00
Nila Projects LLP - Fluctuating Capital	628.39	628.09
	<b>638.39</b>	<b>638.09</b>
<b>Investments in Associate (at cost)</b>		
2,33,750 (31 March 2022 : 2,33,750) Equity shares of Mega City Cinemall Pvt. Ltd. of ₹ 10/- each	14.03	18.64
	<b>14.03</b>	<b>18.64</b>
<b>Total Investments in Associate and Joint Venture</b>	<b>652.42</b>	<b>656.73</b>
<b>Investments in Others (at cost)</b>		
Fangdi Land Developers LLP	-	-
Bagmar Nila Projects (Udaipur) LLP	1.90	1.90
Bagmar Nila Projects (Jodhpur) LLP	1.90	1.90
<b>Total Investments in others</b>	<b>3.80</b>	<b>3.80</b>
<b>Total</b>	<b>656.22</b>	<b>660.53</b>
<b>Current</b>		
<b>(a) Fair value through Profit and loss</b>		
<b>Investment in Mutual Fund</b>		
HDFC Money Market Fund - Grow - Units 6,334.54 (31 March 2022 : NIL)	306.86	-
<b>Total</b>	<b>306.86</b>	<b>-</b>
<b>Aggregate value of unquoted investment</b>	<b>656.22</b>	<b>660.53</b>
<b>Aggregate value of quoted investment</b>	<b>306.86</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 7 Loans

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
<b>Unsecured, Considered good</b>		
<b>Loans</b>		
Other than related parties	2,189.96	2,251.31
<b>Total</b>	<b>2,189.96</b>	<b>2,251.31</b>

Refer note 33 - Financial instruments, fair values and risk measurement

## 8 Other Financial Assets

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non Current</b>		
Fixed deposit with Banks with maturity more than 12 months	210.00	-
<b>Total</b>	<b>210.00</b>	<b>-</b>

Refer note 33 - Financial instruments, fair values and risk measurement

## 9 Other non current assets

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Unsecured, Considered good</b>		
Security and other deposits	93.44	11.47
<b>Total</b>	<b>93.44</b>	<b>11.47</b>

## 10 Inventories

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Work in progress	4,616.43	1,348.31
Finished Goods	163.16	263.56
Land and land development rights	5,096.07	5,346.07
<b>Total</b>	<b>9,875.66</b>	<b>6,957.94</b>

Refer note 3(l) for accounting policy on inventories.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 11 Trade receivables

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Related parties</b>	-	-
Unsecured, considered good	-	-
<b>Other than related parties</b>	-	-
Unsecured, considered good	4.50	63.00
Unsecured, considered doubtful	3.50	-
Less : Provision for doubtful debt	(3.50)	-
<b>Total</b>	<b>4.50</b>	<b>63.00</b>

Refer note 33 - Financial instruments, fair values and risk measurement

### Ageing of Trade Receivable as at 31 March 2023

(₹ in lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	-	-	4.50	-	-	4.50
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.50	-	-	3.50
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	-	-	<b>8.00</b>	-	-	<b>8.00</b>
Less : Allowance for credit losses	-	-	3.50	-	-	3.50
<b>Total</b>	-	-	<b>4.50</b>	-	-	<b>4.50</b>

### Ageing of Trade Receivable as at 31 March 2022

(₹ in lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	55.00	8.00	-	-	-	63.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>55.00</b>	<b>8.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63.00</b>

## 12 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance in current account	1,161.73	70.02
Cash on hand	0.35	1.58
<b>Total</b>	<b>1,162.08</b>	<b>71.60</b>

Refer note 33 - Financial instruments, fair values and risk measurement

## 13 Other current assets

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Unsecured, Considered good</b>		
Advance for Land Purchase to related party*	1,960.02	1,530.02
Advance for Land Purchase to Other than Related party*	-	71.00
Advance to Suppliers	727.74	0.50
Other Current Asset	1.61	-
Prepaid expenses	5.90	5.79
Advance to Employees	4.02	2.49
Advance with Government Authorities		
- Goods and service tax receivable	45.65	38.48
<b>Total</b>	<b>2,744.94</b>	<b>1,648.28</b>

\* Advance for land purchase though unsecured, are considered good as the advances have been given based on arrangement/Memorandum of understanding executed by the Group and the company/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances.

## 14 Current tax assets (Net)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance payment of tax	33.73	35.63
Less : Current Tax Liabilities	-	(35.13)
<b>Total</b>	<b>33.73</b>	<b>0.50</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 15 Equity share capital

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(a) Authorised share capital</b>		
45,00,00,000 (31 March 2022 : 45,00,00,000) Equity shares of ₹ 1/- each fully paid	4,500.00	4,500.00
<b>(b) Issued, Subscribed and Paid-up Capital</b>		
39,38,89,200 (31 March 2022 : 39,38,89,200) Equity shares of ₹ 1/- each fully paid	3,938.89	3,938.89

### (c) Reconciliation of Share outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Balance as at the beginning of the year	39,38,89,200.00	3,938.89	39,38,89,200.00	3,938.89
Issued during the year	-	-	-	-
Balance as at the end of the year	39,38,89,200.00	3,938.89	39,38,89,200.00	3,938.89

### (d) Terms / rights attached to Equity shares

- The Holding Company has only one single class of equity shares referred to as equity share having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held.
- The Group declares and pay dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the Shareholder in the Annual General Meeting except in case of interim dividend.
- In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### (e) Details of shareholders holding more than 5% of Equity shares in the Group

Name of Shareholders	As at 31 March 2023		As at 31 March 2022	
	Nos. of shares	% Holding	Nos. of shares	% Holding
Mr Manoj B Vadodaria	5,31,54,712.00	13.49%	5,31,54,712.00	13.49%
Mrs Nila M Vadodaria	4,39,55,267.00	11.16%	4,39,55,267.00	11.16%
Mr Kiran B Vadodaria	3,86,08,100.00	9.80%	3,86,08,100.00	9.80%
Mrs Alpa K Vadodaria	3,68,00,000.00	9.34%	3,68,00,000.00	9.34%
Mr Deep S Vadodaria	3,17,52,108.00	8.06%	3,17,52,108.00	8.06%
Mrs Mina S Vadodaria	2,16,55,000.00	5.50%	86,95,000.00	2.21%

### (f) Shares held by Promoter's Group at the end of the year

As at 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Changes during the year
Mr Manoj B Vadodaria	5,31,54,712.00	-	5,31,54,712.00	13.49%	-
Mrs Nila M Vadodaria	4,39,55,267.00	-	4,39,55,267.00	11.16%	-
Mrs Alpa K Vadodaria	3,68,00,000.00	-	3,68,00,000.00	9.34%	-

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Changes during the year
Mr Kiran B Vadodaria	3,86,08,100.00	-	3,86,08,100.00	9.80%	-
Mr Deep S Vadodaria	3,17,52,108.00	-	3,17,52,108.00	8.06%	-
Mr Shailesh B Vadodaria	1,29,60,000.00	(1,29,60,000.00)	-	-	(100.00%)
Mrs Mina S Vadodaria	86,95,000.00	1,29,60,000.00	2,16,55,000.00	5.50%	149.05%
Mr Rajeshbhai B Vadodaria	50,00,000.00	(50,00,000.00)	-	-	(100.00%)
Mrs Chhaya R Vadodaria	43,00,000.00	-	43,00,000.00	1.09%	-
Mr Siddharth R Vadodaria	43,00,000.00	25,00,000.00	68,00,000.00	1.73%	58.14%
Mr Karan R Vadodaria	43,00,000.00	25,00,000.00	68,00,000.00	1.73%	58.14%
<b>TOTAL</b>	<b>24,38,25,187.00</b>	<b>-</b>	<b>24,38,25,187.00</b>	<b>61.89%</b>	<b>-</b>

As at 31 March 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Changes during the year
Mr Manoj B Vadodaria	5,31,54,712.00	-	5,31,54,712.00	13.49%	-
Mrs Nila M Vadodaria	4,39,55,267.00	-	4,39,55,267.00	11.16%	-
Mrs Alpa K Vadodaria	3,68,00,000.00	-	3,68,00,000.00	9.34%	-
Mr Kiran B Vadodaria	3,86,08,100.00	-	3,86,08,100.00	9.80%	-
Mr Deep S Vadodaria	3,17,52,108.00	-	3,17,52,108.00	8.06%	-
Mr Shailesh B Vadodaria	1,29,60,000.00	-	1,29,60,000.00	3.29%	-
Mrs Mina S Vadodaria	86,95,000.00	-	86,95,000.00	2.21%	-
Mr Rajeshbhai B Vadodaria	50,00,000.00	-	50,00,000.00	1.27%	-
Mrs Chhaya R Vadodaria	43,00,000.00	-	43,00,000.00	1.09%	-
Mr Siddharth R Vadodaria	43,00,000.00	-	43,00,000.00	1.09%	-
Mr Karan R Vadodaria	43,00,000.00	-	43,00,000.00	1.09%	-
<b>TOTAL</b>	<b>24,38,25,187.00</b>	<b>-</b>	<b>24,38,25,187.00</b>	<b>61.89%</b>	<b>-</b>

(g) During last 5 years immediately preceding reporting date, the Group has not allotted any (a) Bonus Shares or (b) Shares issued for consideration other than cash.

(h) During last 5 years immediately preceding reporting date, the Group has not bought back any class of shares.

## 16 Other equity

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Reserves &amp; Surplus</b>		
(i) Retained earnings	(81.92)	323.11
(ii) Equity security premium	5.80	5.80
(iii) Capital reserve	7,547.55	7,547.55
(iv) General reserve	7.90	7.90
<b>Total</b>	<b>7,479.33</b>	<b>7,884.36</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(i) Retained earnings</b>		
Profit & loss opening balance	323.11	333.58
Profit during the year	(406.23)	(12.12)
<b>Items of other comprehensive income</b>		
Remeasurement of post-employment benefit obligation	1.20	1.65
<b>Total</b>	<b>(81.92)</b>	<b>323.11</b>
<b>(ii) Equity security premium</b>	<b>5.80</b>	<b>5.80</b>
<b>(iii) Capital reserve</b>	<b>7,547.55</b>	<b>7,547.55</b>
<b>(iv) General reserve</b>	<b>7.90</b>	<b>7.90</b>
<b>Total</b>	<b>7,479.33</b>	<b>7,884.36</b>

## Nature and purpose of reserves

**General Reserve** - The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

**Capital Reserve** - The excess of net assets taken over the cost of consideration paid is treated as capital reserve on account of Demerger.

**Equity Security Premium** - Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.

## 17 Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
Dues to Micro & Small Enterprises (as per the intimation received from vendors) #	35.85	0.25
Dues to others - Trade Payables*	878.11	200.69
<b>Total</b>	<b>913.96</b>	<b>200.94</b>

#The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Group. This has been relied upon by auditors.

\*Trade Payable - dues to others includes retention money payable amounting to ₹ 75.44 lakhs (31 March 2022 : NIL)

# Total dues to Micro & Small Enterprises

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Dues to Micro & Small Enterprises (as per the intimation received from vendors)	-	-
A. Principal and interest amount remaining unpaid	35.85	0.25



# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
B. Interest due thereon remaining unpaid	-	-
C. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to supplier beyond the appointed day	-	-
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
E. Interest accrued and remaining unpaid	-	-
F. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

## Ageing of Trade Payable as at 31 March 2023

(₹ in lakhs)

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	35.85	-	-	-	35.85
(ii) Others	39.39	838.72	-	-	-	878.11
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>39.39</b>	<b>874.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>913.96</b>

## Ageing of Trade Payable as at 31 March 2022

(₹ in lakhs)

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	0.25	-	-	-	0.25
(ii) Others	39.39	160.70	0.60	-	-	200.69
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>39.39</b>	<b>160.95</b>	<b>0.60</b>	<b>-</b>	<b>-</b>	<b>200.94</b>

## 18 Other financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non Current</b>		
Security deposits	461.50	327.08
	<b>461.50</b>	<b>327.08</b>
<b>Current</b>		
Employee related liabilities	26.41	1.93
	<b>26.41</b>	<b>1.93</b>
<b>Total</b>	<b>487.91</b>	<b>329.01</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 19 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customer	5,083.67	-
Statutory dues payable	111.97	13.83
<b>Total</b>	<b>5,195.64</b>	<b>13.83</b>

## 20 Provisions

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non Current</b>		
<b>(a) Provisions for employee benefits</b>		
Gratuity (refer note 29)	16.84	15.57
Leave encashment (refer note 29)	8.02	6.55
	<b>24.86</b>	<b>22.12</b>
<b>Current</b>		
<b>(a) Provisions for employee benefits</b>		
Gratuity (refer note 29)	0.27	0.84
Leave encashment (refer note 29)	0.60	0.50
<b>(b) Provision for expenses</b>		
Provision for Expenses	109.59	-
	<b>110.46</b>	<b>1.34</b>
<b>Total</b>	<b>135.32</b>	<b>23.46</b>

## 21 Revenue from operations

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Sales</b>		
Development of Projects - with construction	101.08	532.70
<b>Total</b>	<b>101.08</b>	<b>532.70</b>

## 22 Other income

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest Income	216.33	336.32
Interest on Income Tax Refund	-	2.73
Profit/(Loss) on Sale of Fixed Asset	22.45	29.67
Other non-operating income	38.15	45.95
	<b>276.93</b>	<b>414.67</b>
Add/(Less): Transferred from/(to) WIP	(35.29)	(13.38)
<b>Total</b>	<b>241.64</b>	<b>401.29</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 23 Cost of material consumed and project expenses

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Construction, Material and Labour	2,162.99	157.13
Land/Development Rights	343.05	1,181.25
Other Costs	35.75	12.14
	<b>2,541.79</b>	<b>1,350.52</b>
Add/(Less): Transferred from/(to) WIP	(2,466.75)	(846.14)
<b>Total</b>	<b>75.04</b>	<b>504.38</b>

## 24 Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, allowances and bonus	161.24	115.44
Contribution to provident and other fund (refer note 29)	2.70	2.77
Remuneration and perquisites to directors (refer note 28)	36.00	34.05
	<b>199.94</b>	<b>152.26</b>
Add/(Less): Transferred from/(to) WIP	(76.06)	(7.60)
<b>Total</b>	<b>123.88</b>	<b>144.66</b>

## 25 Finance cost

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Interest on Borrowings</b>		
- Banks and financial institution	-	22.49
- Others	37.29	13.10
<b>Total Interest on Borrowings(A)</b>	<b>37.29</b>	<b>35.59</b>
<b>Other Borrowing Cost</b>		
- Bank charges	0.13	0.13
-Interest cost*	9.47	-
- Others	-	3.92
<b>Total Other Borrowing Cost (B)</b>	<b>9.60</b>	<b>4.05</b>
<b>(A+B)</b>	<b>46.89</b>	<b>39.64</b>
Add/(Less):- Transferred from/(to) WIP	(46.45)	(13.10)
<b>Total</b>	<b>0.44</b>	<b>26.54</b>

\* Interest Cost ₹ 9.47 (31 March 2022 : NIL ) paid on behalf of customers as per contractual arrangement entered with them.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 26 Other expenses

(₹in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Legal and professional charges	461.52	66.62
Listing Expenses	10.18	9.02
Rent Expense	22.37	2.57
Repairs and maintenance expenses	5.00	1.46
Insurance	5.07	0.07
Power and fuel expenses	14.17	8.29
Printing and stationery	4.19	1.62
Municipal tax	3.87	9.28
Payment to auditors (exclusive GST)		
Audit fees & Other certification fees (refer note no. 26.1)	1.75	2.03
Advertisement and business promotion expenses	531.48	31.63
Director's Sitting Fees	0.48	0.45
Loss on Sale of Fixed Asset	4.69	0.64
Sundry Balances W/off	-	32.93
Provision for doubtful debt	3.50	-
Subscriptional and Membership	48.89	-
Miscellaneous expenses	23.77	23.03
GST Expense	154.01	20.29
	<b>1,294.94</b>	<b>209.93</b>
Add/(Less): Transferred from/(to) WIP	(606.19)	(35.54)
<b>Total</b>	<b>688.75</b>	<b>174.39</b>

### 26.1 Payment to Auditor

(₹in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Audit Fees</b>	<b>1.75</b>	<b>2.03</b>
Statutory Audit Fees	1.50	1.50
Tax Audit Fees	0.25	0.25
Other Certification fees	-	0.28

## 27 Earning per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Profit attributable to equity share holders :</b>		
Basic earnings (₹ in lakhs )	(406.23)	(12.12)
Adjusted for the effect of dilution (₹ in lakhs )	(406.23)	(12.12)

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Weighted average number of equity shares for:</b>		
Basic	39,38,89,200.00	39,38,89,200.00
Adjusted for the effect of dilution	39,38,89,200.00	39,38,89,200.00
<b>Earning per share</b>		
Basic	(0.10)	(0.00)
Diluted	(0.10)	(0.00)

## 28 Related party transactions

(A) Joint ventures :	Nila Projects LLP
(B) Associates:	Megacity Cinemall Pvt Ltd
(C) Enterprise in which Key Managerial Personnel and Directors have significant influence	Nila Infrastructures Limited Sambhaav Media Limited Romanovia Industrial Park Pvt Ltd Kent Residential and Industrial Park LLP
(D) Directors	Anand B Patel - Managing Director (Non Executive Director w.e.f. 13 May 2023) Jasvindersingh Rana- Chairman Deep Vadodaria- Non Executive Director (Whole time Director w.e.f. 13 May 2023) Rajal B Mehta - Non Executive Director Shrinjay S Joshi - Non Executive Director Prashant H Sarkhedi- Non Executive Director (Whole time Director w.e.f. 13 May 2023)
(E) Key Managerial Personnel and relatives	Rahul R Vohera - Chief Financial Officer (Upto 15 November 2022) Prashant H Sarkhedi- Chief Finance Officer (W.e.f. 13 May 2023) Gopi V Dave - Company Secretary Parul Prashant Sarkhedi - Relative of Director

## Disclosure of transactions between the Company and Related Parties (Other than Key - managerial personnel) during the year 2022-23

(₹in lakhs)

Particulars	Transaction Value	
	31 March 2023	31 March 2022
<b>A. Loans (Assets)</b>		
<b>(i) Interest Income received</b>		
Nila Projects LLP	-	0.04
<b>(ii) Re-payment of loans given</b>		
Nila Project LLP	-	0.27

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	Transaction Value	
	31 March 2023	31 March 2022
<b>B. Investments</b>		
<b>(i) Investment withdrawn during the year</b>		
Nila Projects LLP	-	1,355.30
<b>(ii) Investment during the year</b>		
Nila Projects LLP	0.70	-
<b>(iii) Interest on Capital during the year</b>		
Nila Projects LLP	-	137.84
<b>C. Other Contracts</b>		
<b>(i) Construction contract work*</b>		
Nila Infrastructures Limited	-	400.48
<b>(ii) Reimbursement of Expense</b>		
Nila Infrastructures Limited	-	4.21
Kent Residential & Industrial Park LLP	0.35	-
<b>(iii) Purchase of Goods</b>		
Nila Infrastructures Limited	0.70	6.80
<b>(iv) Sale of Residential Unit</b>		
Parul Prashant Sarkhedi	82.97	-
<b>(v) Rent Paid</b>		
Sambhaav Media Limited	2.10	2.04
<b>(vi) Advance given for Land Purchase</b>		
Nila Infrastructures Limited	430.00	1,530.02

\* Exclusive of Tax

**Disclosure of the status of outstanding balances between the Company and Related Parties (Other than Key - managerial personnel) as at year end**

(₹ in lakhs)

Particulars	Outstanding Balance	
	31 March 2023	31 March 2022
<b>A. Investments</b>		
Megacity Cinemall Pvt Ltd	222.06	222.06
Nila Projects LLP - Fixed Capital	10.00	10.00
Nila Projects LLP - Fluctuating Capital	1,306.86	1,306.57
<b>B. Advance given for land</b>		
Nila Infrastructure Limited.	1,960.02	1,530.02

**Disclosure of transactions between the Company and Key - managerial personnel during the year 2022-23**

(₹ in lakhs)

Particulars	Transaction Value	
	31 March 2023	31 March 2022
<b>Remuneration</b>		
- Directors	36.00	34.05
- Key Managerial Persons	12.77	14.05
<b>Director sitting fees</b>	<b>0.48</b>	<b>0.45</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 29 Employee benefits

### A. Defined benefit plans:

#### Gratuity

The Group operates a defined benefit plan (the gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and tenure of employment. The liability in respect of gratuity being defined benefit schemes, payable in future, are determined by actuarial valuation as on balance sheet date.

In activity of valuation for gratuity following assumptions were used:

Particulars	31 March 2023	31 March 2022
Mortality rate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate
Withdrawal rate	1.00%	1.00%
Retirement age	58 Years	58 Years
Discount rate	7.49%	7.29%
Salary escalation	6.00%	6.00%

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's Consolidated financial statements as at 31 March 2023 & 31 March 2022 is set out as status of gratuity plan under Indian Accounting Standard 19 on "Employee Benefit".

(₹in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Changes in present value of defined benefit obligation</b>		
Present value of defined benefit obligation as at the beginning of the year	16.41	16.31
Interest cost	1.20	1.10
Past service cost	-	-
Current service cost	1.80	1.86
Actuarial loss due to change in financial assumptions	(0.38)	(1.05)
Actuarial (gain) due to change in demographic assumptions	-	(0.01)
Actuarial loss/(gain) due to experience adjustments	(1.28)	(1.23)
Benefits paid	(0.64)	(0.57)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>17.11</b>	<b>16.41</b>
<b>Amount recognized in the balance sheet</b>		
Fair value of plan assets as at the end of the year	-	-
Present value of defined benefit obligation as at the end of the year	17.11	16.41
<b>Net obligation as at end of year</b>	<b>17.11</b>	<b>16.41</b>
<b>Non current</b>	<b>16.84</b>	<b>15.57</b>
<b>Current</b>	<b>0.27</b>	<b>0.84</b>
<b>Expenses recognized in the statement of profit and loss under the head employee benefit expenses</b>		
Service cost	2.08	1.80
Interest Expense	1.28	1.20
Past service cost	-	-



# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Net expense recognized in employee benefit expenses</b>	<b>3.36</b>	<b>3.00</b>
<b>Expenses recognized in other comprehensive income for the year</b>		
Remeasurment due to:		
Actuarial loss/(gain) on obligations - due to change in financial assumptions	(0.38)	(1.05)
Actuarial loss/(gain) on obligations - due to change in demographic assumptions	-	(0.01)
Actuarial loss/(gain) on obligations - due to experience adjustments	(1.28)	(1.23)
<b>Net expense/(income) recognized in other comprehensive income</b>	<b>(1.66)</b>	<b>(2.29)</b>

## Sensitivity analysis

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Increase	Increase	Decrease	Decrease
Discount rate (1% movement)	(1.73)	(1.77)	2.05	2.11
Salary growth rate (1% movement)	2.06	2.12	(1.77)	(1.81)
Withdrawal rate (1% movement)	0.24	0.20	(0.28)	(0.23)

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related. Further more, interpreting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years

The obligations are measured at the present value of estimated future cashflow by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation. The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

## Expected future cash flow:

The expected future cash flow in respect of gratuity at balance sheet date will be as follows

(₹ in lakhs)

Projected benefits payable in future years from the date of reporting	31 March 2023	31 March 2022
1st following year	0.27	0.84
2nd following year	0.30	0.25
3rd following year	0.32	0.28
4th following year	2.98	0.30
5th following year	0.75	2.68
Sum of years 6 to 10	7.14	5.68

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## B. Other long term employee benefits

### Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employee at the year end. The value of such leave balances that are eligible for carry forward is determined by actuarial valuation as at the end of the year and actuarial gains and loss are charged to the statement of profit and loss amount of ₹ 1.57 lakhs (31 March 2022 : ₹ 1.01 lakhs) towards leave benefits is recognized as an expense and included in the Statement of Profit and Loss.

Actuarial assumptions	31 March 2023	31 March 2022
Discount rate	7.49%	7.29%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1.00%	1.00%

## C. Defined contribution

Contribution to Provident Fund and ESIC recognized as an expense for the year are as under.

(₹in lakhs)

Particulars	31 March 2023	31 March 2022
Employers Contribution to Provident Fund	2.08	2.30
Employers Contribution to ESIC	0.46	0.47

## 30 Tax expense

### A. Income tax expense recognized in the Statement of Profit and Loss

(₹in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Current tax</b>		
Current tax on profit for the year	-	35.13
Adjustments of tax for earlier years	0.83	19.30
<b>Tax (Credit) under Minimum Alternative Tax</b>		
MAT Credit Entitlement	-	4.21
<b>Deferred tax</b>		
Origination & reversal of temporary differences (refer note D)	(156.22)	18.32
<b>Tax Expense reported in statement of Profit &amp; Loss</b>	<b>(155.39)</b>	<b>76.96</b>

### B. Income tax expense / (income) recognized in other comprehensive income

(₹in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Deferred tax</b>		
Deferred tax (credit)/charge on remeasurements of defined benefit liability	(0.46)	(0.64)
<b>Tax Expense/(income) on 'OCI'</b>	<b>(0.46)</b>	<b>(0.64)</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## C. Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Profit before tax</b>	<b>(561.62)</b>	<b>64.84</b>
Tax using the Group's statutory tax rate at 16.69% (31 March 2022: 16.69%)	-	35.13
<b>Effect of :</b>		
Non deductible expenses		-
Adjustments of tax for earlier years	0.83	19.30
MAT Credit Available	-	4.21
Origination and Reversal of Temporary difference	(156.22)	18.32
<b>Tax Expense</b>	<b>(155.39)</b>	<b>76.96</b>

## D. Deferred Tax Assets and Liabilities

(₹ in lakhs)

Particulars	Deferred Tax (Assets)		Deferred Tax (Liability)		Net Deferred Tax Assets/(Liabilities)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Expenditure Allowed on Payment Basis	(8.63)	(6.94)	-	-	(8.63)	(6.94)
Provision for Stamp Duty	(10.96)	(10.96)	-	-	(10.96)	(10.96)
Demerger Expense	-	-	-	-	-	-
Provision for Loss allowance	-	-	0.46	0.64	0.46	0.64
Less: Depreciation under tax laws over book depreciation	-	-	105.85	97.48	105.85	97.48
Unabsorbed Losses	(162.27)	-	-	-	(162.27)	-
<b>Net Deferred tax (Assets)/ Liabilities</b>	<b>(181.86)</b>	<b>(17.90)</b>	<b>106.31</b>	<b>98.11</b>	<b>(75.55)</b>	<b>80.21</b>
MAT Credit Entitlement		-		-	(113.36)	(114.46)
<b>Deferred tax (Assets) / Liabilities</b>	<b>(181.86)</b>	<b>(17.90)</b>	<b>106.31</b>	<b>98.11</b>	<b>(188.91)</b>	<b>(34.25)</b>

## 31 Operating Segment

The Group is primarily engaged in the development of real estate comprising of residential and commercial projects. Group's performance of operation as defined in Ind AS 108 are evaluated as a whole by chief operating decision maker ('CODM') of the Group based on which development of real estate activities are considered as a single operating segment. The Group reports geographical segment which is based on the areas in which major operating divisions of the Group operate and the entire operations are based only in India. None of the customers for the year ended 31 March 2023 constituted 10% or more of the total revenue of the Group.

## 32 Commitments and Contingent Liability

### I) Commitments

There are no commitments as at 31 March 2023 as well as 31 March 2022.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## II) Contingent Liabilities

- A. The Group has received opinion from the office of the superintendent under Gujarat Stamp Act, 1958 wherein it has assessed Stamp Duty amounting to ₹ 651.88 Lakhs with reference to demerger transaction undertaken by the Group vide National Company Law Tribunal, Order No. CP(CAA) No. 56/NCLT/AHM/2018 and CA(CAA) No. 14/NCLT/AHM/2018. Based on Legal Opinion, the Group has filed writ petition in Hon. Gujarat High Court vide Special Civil Application No. 1042/2023 against the said assessed duty. Moreover, based on the legal opinion, the Group has made provision of stamp duty amounting to ₹ 39.38 Lakhs in the books of accounts. The said liability will be discharged once final assessment order is issued by the stamp duty authority.
- B. In such cases, settlement of liability may result in outflow of additional cash than the amount disclosed in the note as contingent liabilities owing to interest component on such liability outstanding. Wherever interest rate is determinable for any specific liability, the amount so disclosed is after considering interest on such liability up to the reporting date.

## 33 Financial Instruments - Fair Values And Risk Measurements

### A. Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:-

(₹ in lakhs)

As at 31 March 2023	Carrying amount				Fair value			
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial asset</b>								
Loan								
- Current	-	-	2,189.96	2,189.96	-	-	-	-
Investment								
- Non Current (note 1)	-	-	3.80	3.80	-	-	-	-
- Current	306.86	-	-	306.86	306.86	-	-	306.86
Other Financial Assets	-	-	210.00	210.00	-	-	-	-
Trade receivables	-	-	4.50	4.50	-	-	-	-
Cash and cash equivalent	-	-	1,162.08	1,162.08	-	-	-	-
	<b>306.86</b>	<b>-</b>	<b>3,570.34</b>	<b>3,877.20</b>	<b>306.86</b>	<b>-</b>	<b>-</b>	<b>306.86</b>
<b>Financial liabilities</b>								
Trade payable	-	-	913.96	913.96	-	-	-	-
Other financial liability								
- Non-current	-	-	461.50	461.50	-	-	-	-
- Current	-	-	26.41	26.41	-	-	-	-
	<b>-</b>	<b>-</b>	<b>1,401.87</b>	<b>1,401.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in lakhs)

As at 31 March 2022	Carrying amount				Fair value			
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial asset</b>								
Loan								
- Current	-	-	2,251.31	2,251.31	-	-	-	-
Investment								
- Non Current (note 1)	-	-	3.80	3.80	-	-	-	-
Trade receivables	-	-	63.00	63.00	-	-	-	-
Cash and cash equivalent	-	-	71.60	71.60	-	-	-	-
	<b>-</b>	<b>-</b>	<b>2,389.71</b>	<b>2,389.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

As at 31 March 2022	Carrying amount				Fair value			
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial liabilities</b>								
Trade payable	-	-	200.94	200.94	-	-	-	-
<b>Other financial liability</b>								
- Non-current	-	-	327.08	327.08	-	-	-	-
- Current	-	-	1.93	1.93	-	-	-	-
	-	-	<b>529.95</b>	<b>529.95</b>	-	-	-	-

\* Fair value of financial assets and liabilities measured at amortized cost is not materially different from the amortized cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

**Note 1:** Investments in associate, joint ventures and subsidiary have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

## Fair value hierarchy

The fair value of financial instruments as referred above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I measurements) and lowest priority to unobservable inputs (Level III measurements).

## The categories used are as follows:-

**Input Level I (Directly Observable) :** which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges.

**Input Level II (Indirectly Observable) :** which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses, etc.

**Input Level III (Unobservable):** which includes management's own assumptions for arriving at a fair value such as projected cash flow used to value a business, etc.

## B. Measurement of fair values

### i) Valuation techniques and significant unobservable inputs

The fair value of the investment in quoted investment in equity shares is based on the current bid price of investment at balance sheet date

### ii) Transfer between Level I and II

There has been no transfer in between Level I and Level II

### iii) Level III fair values

There are no items in Level III fair values.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## C. Financial risk management

The Group has a well-defined risk management framework. The Board of Directors has adopted a Risk Management Policy. The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

### Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors evaluate and exercise independent control over the entire process of risk management. The board also recommends risk management objectives and policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### (i) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

#### Other Financial Assets

This comprises mainly of deposits with banks and retention money receivables. Credit risk arising from deposits with banks is limited as the counterparties are banks . Banks have high credit ratings assigned by the credit rating agencies. Credit risk arising from retention money is included in trade receivables.

#### Trade and other receivable

Customer credit risk is managed by each business unit subject to the Group's established policy and procedures. Credit limits are established for all customers based on flat booking terms. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Group has no concentration of credit risk as the customer base is widely distributed economically.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 -Financial instruments. The calculation is based on provision matrix which considers actual

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. Proportion of expected credit loss provided for across the ageing buckets is summarised below:

## Impairment

Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The calculation is based on defined percentage based on past experiences in the business ascertained by the management.

**Summary of the Group's exposure to credit risk from various customer is as follows:**

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
Trade Receivable	8.00	63.00
Less: Provision for Doubtful Debt	(3.50)	-
<b>Net Trade Receivable</b>	<b>4.50</b>	<b>63.00</b>

**Movement in the provision for doubtful in respect of trade and other receivables are as follows:**

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	-	-
Provision / (Reversal) during the year	3.50	-
<b>Balance at the end of the year</b>	<b>3.50</b>	<b>-</b>

## Cash and bank balances

The Group is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Group believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre-determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

## Other financial assets

Other financial assets includes loan to employees and related parties, security deposits, etc. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks. Banks have high credit ratings assigned by the international credit rating agencies.

## (ii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Group's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors the Group's liquidity position and cash and cash equivalents on the basis of expected cash flow. The Group's liquidity management policy involves periodic reviews of cash flow projections and considering the level of liquid assets necessary, monitoring balance sheet, liquidity ratios against internal and external regulatory requirements.



# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## Exposure to liquidity risk

(₹ in lakhs)

31 March 2023	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Trade payable	913.96	39.39	874.57	-	-	-
Other financial liability						
- Non-current	461.50	-	-	-	461.50	-
- Current	26.41	-	26.41	-	-	-

(₹ in lakhs)

31 March 2022	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Trade payable	200.94	39.39	160.95	0.60	-	-
Other financial liability						
- Non-current	327.08	-	-	-	327.08	-
- Current	1.93	-	1.93	-	-	-

## (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and debt. The Group does not have any foreign currency exposure as at balance sheet date. Accordingly, Group does not have currency risk.

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group's liquidity and borrowing are managed by professional at senior management level. The interest rate exposure of the Group is reduced by matching the duration of investments and borrowings. The interest rate profile of the Group's interest - bearing financial instrument as reported to management is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Fixed-rate instrument</b>		
Financial asset	2,399.96	2,251.31
Financial liability	-	-
<b>Floating-rate instrument</b>		
Financial asset	306.86	-
Financial liability	-	-

## Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

(₹ in lakhs)

Particulars	Increase on profit/(loss) after tax
<b>31 March 2023</b>	
Increase in 100 basis point	3.06
Decrease in 100 basis point	(3.06)
<b>31 March 2022</b>	
Increase in 100 basis point	-
Decrease in 100 basis point	-

## 34 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group monitors capital using a ratio of 'Debt' to 'Equity'. For this purpose, 'Debt' is meant to include long-term borrowings, short-term borrowings and current maturities of long-term borrowings. 'Equity' comprises all components of equity. The Group's debt to equity ratio as at the end of the reporting periods are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt	-	-
Less : Cash and bank balances	1,162.08	71.60
<b>Adjusted net debt</b>	<b>(1,162.08)</b>	<b>(71.60)</b>
<b>Total equity</b>	<b>11,418.22</b>	<b>11,823.25</b>
<b>Debt to equity (net)</b>	<b>(0.10)</b>	<b>(0.01)</b>

## 35 Leases

### a) As a Lessor

Group has not let out any property on lease during the year as well as previous year. Accordingly no disclosure in respect of the same is applicable.

### b) As a Lessee

The Group has taken office premises on lease. The terms of lease includes terms of renewals, increase in rent in future periods, terms of cancellation, etc. The agreement is executed for a period of 3 years with a renewable clause and also provide for termination at will by either party giving a prior notice of 1 months at any time during the lease term and hence considered the same to be of short term lease in nature under Ind AS 116. Accordingly, no further disclosures are applicable.

Lease rental expense debited to statement of profit and loss is ₹ 2.10 lakhs (31 March 2022 : ₹ 2.04 lakhs)

## 36 Disclosure as per Ind AS 115

### (a) Disaggregation of revenue from contracts with customers

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Revenue</b>		
Development of projects - with construction	101.08	532.70
<b>Total</b>	<b>101.08</b>	<b>532.70</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## (b) Contract assets

The contract assets represents amount due from customers which primarily relate to the Group's right to consideration for work executed but not billed at the reporting date. The contract asset are transferred to receivable when the rights become unconditional i.e. when invoice is raised on achievement of contractual milestones. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily represent advance received from customer for which invoice are yet to be raised on customers pending achievement of milestone.

The following table provides information about trade receivables and contract assets:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Contract Assets	-	-
Contract Liabilities	5,083.67	-

Changes in contract asset during the year are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1st April	-	1,201.70
Unbilled revenue for the year	-	-
Contract Asset reclassified to trade receivables	-	1,201.70
<b>Balance as at 31st March</b>	<b>-</b>	<b>-</b>

Changes in contract liabilities during the year are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1st April	-	-
Less: Amount adjusted against billings made during the year	-	-
Add: Advances received during the year	5,083.67	-
<b>Balance as at 31st March</b>	<b>5,083.67</b>	<b>-</b>

## (c) Transaction price allocated to remaining performance obligations

The transaction price allocated to remaining performance obligations (unsatisfies or partially satisfied) is as follows:

(₹ in lakhs)

Particulars	Within One Year	More Than One Year	Total
Revenue from Construction and Development of Projects	-	5,083.67	5,083.67

## (d) Transaction price allocated to remaining performance obligations

There are no adjustments made to the contracted price with customers which need to be reconciled to revenue recognized in the statement of profit and loss

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 37 Ratio Analysis

(₹ in lakhs)

Sr. No.	Ratio	Numerator	Denominator	FY 2022-23 Numerator	FY 2022-23 Denominator	FY 2021-22 Numerator	FY 2021-22 Denominator	31st March 2023	31st March 2022	% Variance	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	16,317.73	6,246.47	10,992.63	218.04	2.61	50.42	-94.8%	Due to increase in contract liability (Refer note number 36)
2	Debt equity ratio	Total Debt	Shareholder's Equity	-	11,418.22	-	11,823.25	-	-	-	
3	Debt service coverage ratio	Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc	Interest & Lease Payments + Principal Repayments	(562.72)	-	81.53	-	-	-	-	
4	Return on Equity	Net Profits after taxes - Preference Dividend (if any)	Shareholder's Equity	(406.23)	11,418.22	(12.12)	11,823.25	(0.04)	(0.00)	3369.8%	Due to recognition of marketing expense pertaining to new project in profit and loss account.
5	Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory (Opening + Closing balance / 2)	101.08	8,416.80	532.70	6,566.28	0.01	0.08	-85.2%	Due to increase in inventory.
6	Trade receivable turnover ratio	Net Credit Sales (gross credit sales minus sales return)	Average Accounts Receivable (Opening + Closing balance / 2)	101.08	33.75	532.70	48.10	2.99	11.07	-73.0%	Due to decrease in revenue from operations.
7	Trade payable turnover ratio	Cost of material consumed and project expenses	Average Accounts Payable	75.04	557.45	504.38	1,114.67	0.13	0.45	-70.3%	On account of decrease in revenue which leads to decrease in cost of material consumed.
8	Net capital turnover ratio	Revenue from operations	Working capital	101.08	10,071.26	532.70	10,774.59	0.01	0.05	-79.7%	Due to decrease in revenue from operations.
9	Net profit ratio	Net Profit	Net Sales	(406.23)	101.08	(12.12)	532.70	-401.90%	-2.28%	17560.0%	Due to recognition of marketing expense pertaining to new project in profit and loss account.
10	Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability) Or Total Assets - Current Liabilities	(556.17)	11,229.30	95.23	11,789.01	-4.95%	0.81%	-713.2%	Due to recognition of marketing expense pertaining to new project in profit and loss account.
11	Return on investment	Return	Investment	3.62	515.00	-	-	-	-	-	Due to increase in investment.

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 38 Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Regulations, 2015 and Section 186(4) of the Companies Act, 2013).

(₹ in lakhs)

Particulars	As at 31 March 2023	Maximum balance outstanding during 2022-23	As at 31 March 2022	Maximum balance outstanding during 2021-22
<b>Details of loans given:</b>				
Ginger Properties Pvt. Ltd.	573.02	573.02	504.86	504.86
Modi Buildwell Ltd	-	254.46	254.46	724.59
RJD Buildcon Limited	-	-	-	126.99
Signet Vyapaar Pvt Ltd.	496.56	496.56	455.56	455.56
Vitesee Trading Pvt Ltd.	-	-	-	201.33
Suresh Thakkar	1,120.38	1,120.38	1,036.43	1,355.27

All loans are given for the purpose of the business

## 39. Interest in other entities

### Interest in associate & joint ventures

Below is the list of associate and joint ventures as at 31 March 2023. Their Share capital compriese solely of equity shares and/or as partners capital held by the group and proportion of ownership interest held equals the voting rights held by the group

(₹ in lakhs)

Name of entity	% of ownership interest	Relationship	Method of Accounting	Quoted Fair value		Carrying Amount	
				31 March 2023	31 March 2022	31 March 2023	31 March 2022
Nila Projects LLP	99.97%	Joint Venture	Equity method	-	-	638.38	638.09
Megacity Cinemall Pvt Ltd	42.50%	Associate	Equity method	-	-	14.03	18.64

### (a) Summarised financial statements of joint ventures

The table below shows summarised financial statements for both joint ventures which are material to the group.

(₹ in lakhs)

Summarised balance sheet	Nila Projects LLP		Megacity Cinemall Pvt Ltd	
Particulars	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Total Non-current assets	1,317.77	1,317.77	1,135.48	1,139.53
Current assets other than Cash and Cash Equivalent	-	-	0.44	0.44
Cash and Bank Balance	0.41	0.28	8.40	8.07
<b>Total Assets (A)</b>	<b>1,318.17</b>	<b>1,318.05</b>	<b>1,144.31</b>	<b>1,148.05</b>
<b>Non-current financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Current financial liabilities (excluding trade payable and provisions)	-	-	1,675.42	1,672.32

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

Summarised balance sheet	Nila Projects LLP		Megacity Cinemall Pvt Ltd	
Particulars	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Current liabilities other than current financial liabilities (including trade payables and provisions)	0.22	0.39	22.07	18.04
<b>Total Liabilities (B)</b>	<b>0.22</b>	<b>0.39</b>	<b>1,697.49</b>	<b>1,690.36</b>
<b>Net assets (A-B)</b>	<b>1,317.95</b>	<b>1,317.66</b>	<b>(553.17)</b>	<b>(542.32)</b>
Group's share in %	99.97%	99.97%	42.50%	42.50%
Group's share in ₹	1,317.56	1,317.26	(235.10)	(230.48)

## Reconciliation to Carrying Amount

(₹ in lakhs)

Particulars	Nila Projects LLP		Megacity Cinemall Pvt Ltd	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Group share in opening net assets	638.09	1,976.14	18.64	22.23
Profit for the year - share of group	(0.41)	(0.25)	(4.61)	(3.59)
Interest on Capital Contribution	-	137.88	-	-
<b>Opening net assets</b>	<b>637.68</b>	<b>2,113.77</b>	<b>14.03</b>	<b>18.64</b>
Add:- Ind AS adjustment	-	-	-	-
Less: Unrealised gain & losses eliminated against the investment accounted for using equity method (including previous unsettled unrealised amounts)	-	(120.48)	-	-
Add: Capital Contribution Introduced / (Withdrawn)	0.70	(1,355.20)	-	-
<b>Closing net assets</b>	<b>638.38</b>	<b>638.09</b>	<b>14.03</b>	<b>18.64</b>

## Summarised statement of profit and loss of material joint venture

(₹ in lakhs)

Summarised profit and loss	Nila Projects LLP		Megacity Cinemall Pvt Ltd	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Other income	-	0.03	-	0.04
<b>Total income</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>0.04</b>
Employee benefit expense	-	-	-	1.60
Finance cost	0.06	0.06	-	-
Depreciation	-	-	4.05	4.05
Other expense	0.35	0.23	2.67	2.85
<b>Total expense</b>	<b>0.41</b>	<b>0.29</b>	<b>6.72</b>	<b>8.50</b>
<b>Profit before tax</b>	<b>(0.41)</b>	<b>(0.25)</b>	<b>(6.72)</b>	<b>(8.46)</b>
Tax expense	-	-	4.14	-
<b>Profit after tax</b>	<b>(0.41)</b>	<b>(0.25)</b>	<b>(10.86)</b>	<b>(8.46)</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

## 40. Additional Information as per Schedule III

Below is the list of associate and joint ventures as at 31 March 2023. Their Share capital comprises solely of equity shares and/or as partners capital held by the group and proportion of ownership interest held equals the voting rights held by the group

(₹ in lakhs)

Name of Entity in the group	Net Assets (Total assets minus Total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated share in loss	Amount	As % of consolidated share in comprehensive income	Amount	As % of consolidated share in total comprehensive income	Amount
<b>Parent</b>								
<b>Nila Spaces Limited</b>								
31 March 2023	94.48%	11,170.85	98.76%	(401.21)	100.00%	1.20	98.76%	(400.01)
31 March 2022	94.45%	11,166.52	76.53%	(9.28)	100.00%	1.65	72.84%	(7.63)
<b>Joint Ventures</b>								
Nila Projects LLP								
31 March 2023	5.40%	638.38	0.10%	(0.41)	0.00%	-	0.10%	(0.41)
31 March 2022	5.40%	638.09	2.06%	(0.25)	0.00%	-	2.39%	(0.25)
<b>Associate</b>								
<b>Megacity Cinemall Pvt Ltd</b>								
31 March 2023	0.12%	14.03	1.14%	(4.61)	0.00%	-	1.14%	(4.61)
31 March 2022	0.16%	18.64	21.40%	(2.59)	0.00%	-	24.78%	(2.59)
<b>Total 31 March 2023</b>	<b>100.00%</b>	<b>11,823.25</b>	<b>100.00%</b>	<b>(406.23)</b>	<b>100.00%</b>	<b>1.20</b>	<b>100.00%</b>	<b>(405.03)</b>
<b>Total 31 March 2022</b>	<b>100.00%</b>	<b>11,823.25</b>	<b>100.00%</b>	<b>(12.12)</b>	<b>100.00%</b>	<b>1.65</b>	<b>100.00%</b>	<b>(10.47)</b>

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2023 and 31 March 2022.

41 No Material event have occurred between the Balance sheet date to the date of issue of this Consolidated financial statement that could affect the values stated in the financials statements as at 31 March 2023

## 42 Other Statutory Information

- The Group has not availed loans from banks on the basis of security of current assets.
- The Group has not been declared a wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.
- There are no proceedings initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the reporting periods.
- The Group has neither advanced, loaned or invested funds nor received any fund to/from any person or entity for lending or investing or providing guarantee to/on behalf of the ultimate beneficiary during the reporting periods.
- There is no immovable property whose title deed is not held in the name of the Group.
- There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.



# Notes to the Consolidated Financial Statements

for the year ended on 31 March 2023

- i The Group has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.
  - j The Group does not have any transaction not recorded in the books of accounts that has been surrendered or not disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961.
  - k The Group has not entered into any transaction with struck off companies under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Further, there is no balance outstanding with struck off companies.
- 43** The figures for the previous year have been regrouped/reclassified wherever necessary to confirm with the current year's classification.

**For Dhirubhai Shah & Co. LLP**

Chartered Accountants

Firm's Registration No: 102511W/W100298

**For and on behalf of the Board of Directors of**

**Nila Spaces Limited**

**CIN No. :L45100GJ2000PLC083204**

**Parth S Dadawala**

Partner

Membership No: 134475

**Jasvinder S Rana**

Chairman

DIN : 01749361

**Anand B Patel**

Managing Director

DIN : 07272892

Place : Ahmedabad

Date : 13 May 2023

**Prashant H Sarkhedi**

Chief Financial Officer

Place : Ahmedabad

Date : 13 May 2023

**Gopi V Dave**

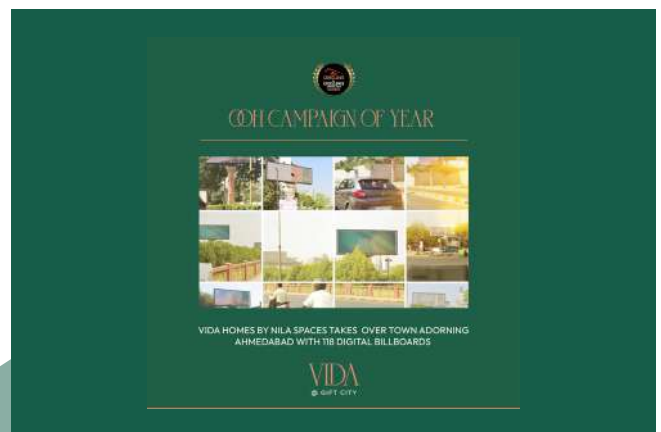
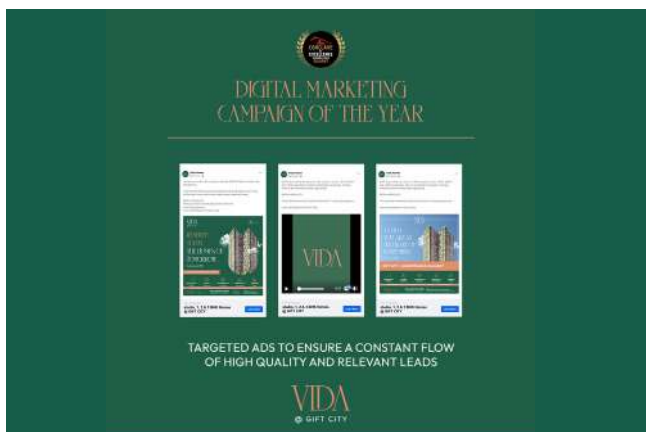
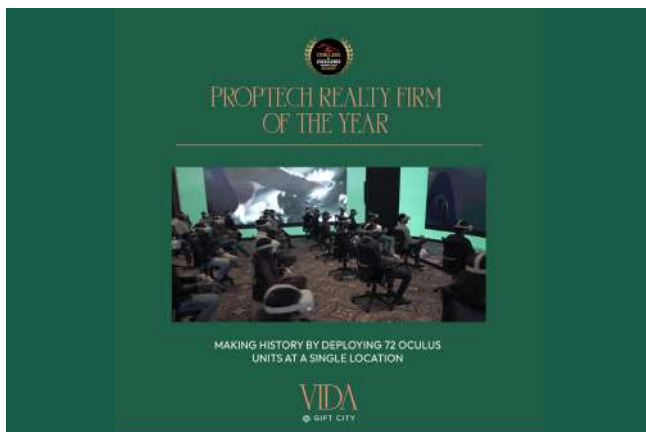
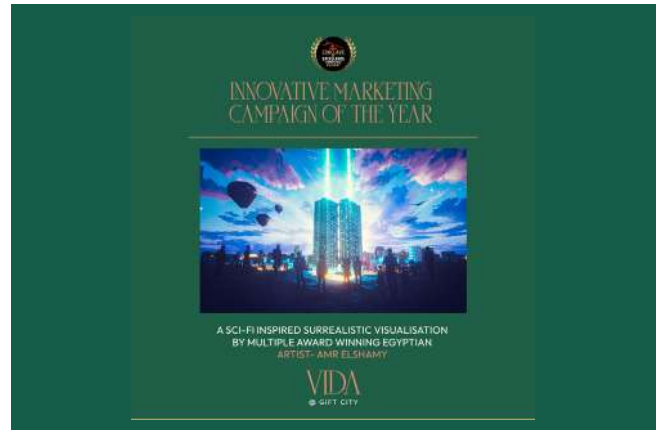
Company Secretary

Place : Ahmedabad

Date : 13 May 2023

## NOTES

[illegible]





CIN:L45100GJ2000PLC083204

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