

INDEPENDENT AUDITOR'S REPORT

To
The Members
SPAZE TOWERS PRIVATE LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Financial Statements of SPAZE TOWERS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit & Loss and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 state of affairs of the Company as at 31st March, 2023, its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Auditor's Responsibilities for the Audit of this 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 independence requirements that are relevant to our audit of the this financial statements under the provisions of the Act and the Rules made 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 audit opinion on the financial statements

Management Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of this standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards specified under section 133 of the Act and other accounting principles generally accepted in India.



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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 these 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



- 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.

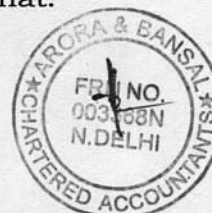
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (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.

Report on other Legal & Regulatory requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A a statement specified in paragraph 3 and 4 of the said order.
- 2) As required by Section 143 (3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The company do not have any branches. Therefore, this clause is not applicable to the company.
- (d) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (f) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report provided in "**Annexure-B**"; and



- (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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: -
- (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv)
 - i) Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(, including foreign entities ("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;
 - (ii) Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(, including foreign entities ("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
 - (iii) Nothing has come to our notice that has caused us to believe that the representations made by management under sub-clause (i) and (ii) contain any material misstatement.
 - (v) No dividend has been declared or paid by the company during the year is therefore compliance check with section 123 of the Companies Act, 2013 is not applicable.

For ARORA & BANSAL



Chartered Accountants

Rajesh Arora



Rajesh Arora

(Partner)

Membership No. 081884

Firm Reg. No.: 003368N

Place: New Delhi

Date: 05-09-2023

UDIN: 23081884BGSMRQ6307

ANNEXURE - A: TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF "SPAZE TOWERS PRIVATE LIMITED" - REPORT UNDER THE COMPANIES (AUDITOR'S REPORT) ORDER, 2020.

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

- i.
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to information & explanation given to us and on the basis of our examination of the records of the company, title of the immovable properties are held in the name of the company.
- ii. The management has conducted physical verification of inventory at reasonable intervals and in our opinion the coverage and procedure of such verification by the management is appropriate.
- iii. During the year the company, has not made investments in, provided any guarantee or security but, has granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees and security provided during the year under reference and no fresh investments have been made during the year.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, wherever applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.



vii.

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, the following dues of income tax, sales tax, service tax, value added tax have not been deposited on account of dispute:-

S. No.	Name of the statute	Nature of Dues	Amount (in Rs. Thousands)	Financial year to which it relates	Forum where the dispute is pending
1	Service Tax, Delhi	Service Tax	18,253.28/-	2015-16	Appeal under Litigation
2	Service Tax, Delhi	Service Tax	1,972.82/-	2016-17 & 2017-18	Appeal under Litigation
3	Income tax Act	Income tax	80,42,590/-	2020-21	Appeal under Litigation

- b) According to the information and explanations given to us, there are no material dues of income tax, service tax, sales tax, custom duty, excise duty, cess and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

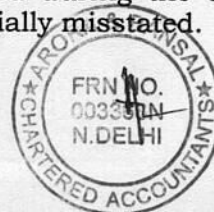
viii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x) of the Order is not applicable.

(b) According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xi. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.

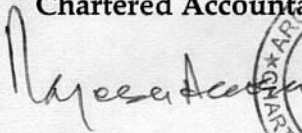


- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards, details of the related party transactions have been disclosed in Note 32 of the standalone financial statements for the year under audit.
- xiv. According to the information and explanations given to us and based upon the audit procedures performed, the company have internal audit system commensurate to size and nature of its business of the company.
- xv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. (a) The company is not required to get 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 hence Clause XVI(b) of the order is not Applicable
- (c) whether the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence Clause XVI(c) of the order is not Applicable.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has incurred cash losses amounting to Rs. 8,17,572.75/- thousand during the preceding financial year and no cash loss during the year.
- xviii. There has been no resignation of the statutory auditors of the Company for the financial year.
- xix. According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- xx. In our opinion and according to the information and explanations given to us, it is observed that the company does not comply with the eligibility criteria of section 135 of The Companies Act, 2013 regarding Corporate Social Responsibility hence clause xx not applicable.

For ARORA & BANSAL
Chartered Accountants





Rajesh Arora
(Partner)

Membership No. 081884

Firm Reg. No. : 003368N

UDIN : 23081884 BGS MRQ6307

Place: New Delhi

Date: 05-09-2023

ANNEXURE - B, TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF "SPAZE TOWERS PRIVATE LIMITED"

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 "SPAZE TOWERS PRIVATE LIMITED" as of 31st March 2023 in conjunction with our audit of the standalone 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 31st 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 Arora & Bansal
Chartered Accountants
FRN No. 003368N

Rajesh Arora

(Partner)

M. No. 081884

UDIN : 23081884BESMRQ6307



Place : New Delhi

Date : 05-09-2023

SPAZE TOWERS PRIVATE LIMITED

Address Spazedge, Tower-C, Gurgaon Sohna Road
Gurgaon-122002, Haryana
27.1.2006
Date of Incorporation Company
Status 2021-22
Financial Year 2022-23
Assessment Year AACCK8088R
Permanent Account No. Central Circle - II, Faridabad
Income Tax Circle/ ward

COMPUTATION

Net Profit before tax	50,06,682
Add : Depreciation as per Co. act	73,12,581
Add : CSR Expenses	2,01,302
Add: Prior Period Items	13,60,851
Add: Bonus Disallowed u/s 43B	11,03,088
Add: Privilege Leave Disallowed u/s 43B	-
Add: Donation	6,76,288
Add: Gratuity Disallowed u/s 43B	-
Add: Interest on Income Tax	33,223
Add: PF & ESI disallowed u/s 36 1(v)	69,407
Add: Provision for Diminution in the value of Investments	32,240
Add: Disallowance U/s 37(1) - Interest on TDS	1,57,95,662
	1,71,43,153
Less: Depreciation as per I T Act.	15,07,609
Less: Bonus disallowed last year u/s 43B but allowed this year	6,48,942
Less: Privilege Leave disallowed last year u/s 43 B but allowed this year	6,34,199
Less: Gratuity Paid	2,22,49,166
Less : Interest Income (Other Source of Income)	-
Less : Profit on sale of Car	2,48,63,623
Less : Profit on sale of Investment in Immovable Property	-
Less : Profit & Loss from LLP Spaze projects infra	[A] (5,12,51,030)
Income from Business or Profession	

Income from Capital Gain

Tech Park Unit No- B4-112	Transaction Date		
Sales Consideration	01.04.2022	46,39,800	
Purchase value	29.04.2016	24,03,761	24,03,761
			22,36,039
Long Term Capital Gain			

Plots In SCO Grand Central 114 (562 SQ YRDS)	Transaction Date		
Sales Consideration	02.05.2022	9,32,92,000	
Purchase value	29.03.2022	8,02,62,592	8,02,62,592
Purchase value (Stamp duty/Registration charges)		1,30,29,408	1,30,29,408
Short Term Capital Gain			

Plots In SCO Grand Central 114 (414 SQ YRDS)	Transaction Date		
Sales Consideration	07.06.2022	6,87,24,000	
Purchase value	29.03.2022	5,91,25,824	5,91,25,824
Purchase value (Stamp duty/Registration charges)		95,98,176	95,98,176
Short Term Capital Gain			

Income from Capital Gain

Interest on FDRs	[B] 2,48,63,623
Interest - Others (Income Tax refund)	2,08,02,184
Income from Other Source	[C] 14,46,983
	[C] 2,22,49,166
Taxable Income After set off	[A+B+C] (41,38,241)
Less: Deduction u/s 80G	(41,38,241)
Net Taxable Income	(41,38,240)
R/off	

Tax on net taxable income @ 25%
Surcharge on Income Tax @ 7%
Educational cess @4%
Total Tax Due
Less:
Advance Tax Paid
Self Assessment Tax Paid
Tax Deducted at Source
TCS
Add: Interest
Interest u/s 234B
Interest u/s 234C
Fee u/s 234F
NET TAX PAYABLE(REFUND)


SPAZE TOWERS PVT LTD
BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in Thousand)

Particulars	Notes	AS AT 31.03.2023	AS AT 31.03.2022
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Funds</u>			
Share Capital	2	1,98,000.00	1,98,000.00
Reserves & Surplus	3	(8,99,845.14)	(9,03,344.60)
<u>Non-current Liabilities</u>			
Long Term Borrowings	4	17,50,392.40	17,57,364.43
Long Term Provisions	5	3,786.36	3,879.37
<u>Current Liabilities</u>			
Short-term Borrowing	6	11,403	33,160
<u>Trade Payables:</u>			
Total outstanding dues of Micro Enterprises and Small Enterprises; and	7	4,199.78	7,588.31
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,76,660.43	2,31,372.03
Other Current Liabilities	8	20,80,481.38	20,45,734.26
Short-term Provisions	9	254.12	119.03
TOTAL		33,25,331.92	33,73,873.19
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Property, Plant, Equipments & Intangible Assts			
Property, Plant, Equipments		1,10,891.97	1,17,664.59
Intangible Assets		209.02	219.37
	10	1,11,101.00	1,17,883.96
Non-Current Investments	11	6,79,935.46	8,19,277.04
Deferred tax assets (net)	12	2,22,001.14	2,23,508.36
Long Term Loans & Advances	13	3,885.00	3,800.00
Other Non Current Assets	14	20,061.64	19,151.64
<u>Current Assets</u>			
Inventories	15	8,25,056.54	7,82,402.67
Trade Receivables	16	8,61,932.32	8,01,220.62
Cash and Bank Balances	17	3,94,947.05	3,65,888.63
Short Term Loans & Advances	18	1,58,857.85	1,94,025.16
Other Current Assets	19	47,553.94	46,715.11
TOTAL		33,25,331.92	33,73,873.19
SIGNIFICANT ACCOUNTING	1		

The Notes form an integral part of these financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For M/s ARORA & BANSAL

Firm Registration No: 003368N

Chartered Accountants

RAJESH ARORA
Partner

Membership No: 081884

UDIN: 23021884 BGS MRQ 6307

FRN NO.
003368N
N.DELHI

Aman Sharma
(Director)

(DIN: 00381637)

Bharat Bhushan Kumar
(Director)

(DIN: 00064687)

Harpal Singh Chawla
(Director)

(DIN: 00516241)

Meenakshi Saini
(Company Secretary)
M.No. -A40979

Place: Gurugram

Date: 05th September, 2023

SPACE TOWERS PVT LTD
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Thousand)

Particulars	Notes	For the year ended 31.03.2023	For the year ended 31.03.2022
		Rs.	Rs.
Income			
Revenue from Operations	20	1,58,217.61	12,33,625.19
Other Income	21	1,94,304.79	40,987.91
Total Revenue		3,52,522.40	12,74,613.09
Expenses			
Project Expenses	22	2,08,953.66	4,65,484.30
Changes in Inventories	23	(42,653.87)	14,95,574.76
Employee Benefits Expense	24	54,104.51	54,976.10
Finance Costs	25	172.79	1,384.97
Depreciation and Amortization Expense	26	7,312.58	8,542.29
Other Expenses	27	1,19,626.04	74,765.73
Total Expenses		3,47,515.72	21,00,728.14
Profit before Extraordinary and Exceptional items and tax		5,006.68	(8,26,115.04)
Exceptional Items		-	-
Profit before Extraordinary items and tax		5,006.68	(8,26,115.04)
Extraordinary Items		-	-
Profit/ (Loss) before tax		5,006.68	(8,26,115.04)
Tax Expense :			
i) Current Tax		-	-
ii) Deferred Tax		1,507.22	(2,14,491.66)
iii) Previous years relative Tax		-	-
Profit/ (Loss) for the Year		3,499.46	(6,11,623.38)
Earning Per Equity Share			
(On Shares of nominal value of Rs 10/- each)			
Basic (In Rs.)		0.18	(30.89)
Diluted (In Rs.)		0.18	(30.89)

SIGNIFICANT ACCOUNTING POLICIES

The Notes form an integral part of these financial statements

1

As per our Report of even date

For M/s ARORA & BANSAL

Firm Registration No: 003368N

Chartered Accountants

(Signature)
RAJESH ARORA
 Partner
 Membership No: 081884
 UDIN: 23061244BGS MRQ6307



For and on behalf of the Board of Directors

(Signature)

Aman Sharma
 (Director)
 (DIN: 00381637)

(Signature)

Bharat Bhushan Kumar
 (Director)
 (DIN: 00064687)

(Signature)

Harpal Singh Chawla
 (Director)
 (DIN: 00516241)

(Signature)

Meenakshi Saini
 (Company Secretary)
 M.No.-A40979

Place: Gurugram

Date: 05th September, 2023

Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The accounts have been prepared under historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, issued by the Central Government in exercise of the powers conferred under sub-section(1) (a) of the section 642 of the companies Act, 1956 and other guidance notes issued by Institute of Chartered Accountants of India to the extent applicable are adopted consistently by the Company.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require Management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the period in which these revisions are made.

c) Fixed Assets

Tangible assets are stated at Historical cost (Gross Block) less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Cost comprises the acquisition price, development cost and any attributable/ allocable incidental cost of bringing the assets to its working condition for its intended use.

d) Depreciation and Amortization

Depreciation on fixed assets is charged on the written down value method using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Schedule II of the companies Act, 2013, whichever is higher.

Amortization of intangible assets (software) is provided on Written down Value method using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Schedule II of the companies Act, 2013, whichever is higher.

e) Investments

Investments are classified as Long Term or Current, based on the management's intention at the time of making investments. Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long-term Investments.



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023

and Statement of Profit & Loss for the year ended on that date

Trade Investments are the investments made for or to enhance the Company's business interests.

Current investments are stated at the lower of cost or fair market value determined on an individual investment basis. Long-term investments are stated at cost and provision for diminution in their value on the basis of net worth of the respective companies.

f) Inventories

Work -in- Progress in respect of construction activities is calculated on the basis of "Percentage of Completion method and considered accordingly in books of accounts.

Inventories other than work-in-progress are valued at cost or market value, whichever is lower.

Work-in-progress includes land acquisition costs, internal development costs, external development costs, construction costs, interest expenses and other costs directly relating to the construction activities.

g) Revenue Recognition

a) The Company follows "Percentage of Completion Method" of accounting for construction projects. Construction projects include residential, institutional and commercial projects. As per this method, the revenue is recognized in proportion to the actual costs incurred as against the total estimated cost of the projects under execution subject to the actual construction cost being 30% or more of the total estimated cost, except where construction has not started.

b) The estimates relating to saleable area, sale value, estimated costs etc., are reviewed and updated periodically by the Management and necessary adjustments are made in the current year's accounts.

c) Project expenditure bills received till the close of the year, are accounted for in such year. Difference, if any arising upon final measurement and certification of such bills are recognized in the year in which such bills are certified.

d) Indirect costs are treated as "Period Costs" and are charged to the Statement of Profit & Loss in the year in which they are incurred.

e) Whereas all incomes and expenses are accounted for on accrual basis, interest on delayed payments by customers against dues, and other intermittent charges recovered from customers are recognized in the accounts on realization of payment, owing to the practical difficulties and uncertainties involved. Any sum payable by way of tax, cess, levies, charges etc payable to government agencies, is accounted for on payment thereof. Further, Expenditure under the head of project expenditure is net of income directly attributable to such expenses, if any and vice versa.



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

The Guidance Note (para 5.3) issued by The Institute of Chartered Accountants of India states that:

Further to the conditions in paragraph 5.2 there is a rebuttable presumption that the outcome of a real estate project can be estimated reliably and that revenue should be recognized under the percentage completion method only when the events in (a) to (d) below are completed.

(a) All critical approvals necessary for commencement of the project / for sale in the market, have been obtained.

These include, wherever applicable:

- (i) Environmental and other clearances.
- (ii) Approval of plans, designs, etc.
- (iii) Title to land or other rights to development/ construction.
- (iv) Rera approval
- (v) Change in land use and other required approvals as well.

(b) When the stage of completion of the project reaches a reasonable level of development. A reasonable level of development is not achieved if the expenditure incurred on construction and development costs is less than 25 % of the construction and development costs as defined in paragraph 2.2 (c) read with paragraphs 2.3 to 2.5.

(c) Atleast 25% of the saleable project area is secured by contracts or agreements with buyers.

(d) Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts. To illustrate - If there are 10 Agreements of sale and 10 % of gross amount is realised in case of 8 agreements, revenue can be recognised with respect to these 8 agreements.

The Company has not recognized the Revenue of those projects where the conditions of Para 5.3 above are not satisfied.



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023

and Statement of Profit & Loss for the year ended on that date

h) Cost of Revenue

Cost of constructed properties include cost of land (including land under agreements to purchase), estimated internal development costs, external development charges, construction costs, development/construction materials, interest expenses and other related costs, which is charged to the Statement of Profit & Loss based on the POCM (percentage of completion method) of revenue recognized as per accounting policy, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

i) Borrowing Costs

Borrowing costs that are attributable to acquisition or construction / development of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Any recoveries from customers etc on account of such costs is reduced from it. All other borrowing costs are charged to statement of Profit and Loss.

j) Provision for Taxation

- a) Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax Assets/Liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax in respect of differential income due to accounting of sales on percentage completion basis, being not determinate, is not recognized.

k) Foreign Currency Transaction

Initial Recognition

Foreign currency transactions if any, are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate.

Exchange Difference

The difference in transaction of monetary assets and liabilities and realized gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the Statement of Profit & Loss.

Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted in the carrying amount of the fixed assets.



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

l) Retirement Benefits

a. Short-term Employee Benefits

Short term employee benefits are charged off, at the undiscounted amount, in the year in which the related service is rendered. These benefits include salaries, bonus and performance incentives etc.

b. Post-employment Benefit Plans

i) Defined Contribution Plans:

The Company's contribution paid/payable towards Provident fund is recognized as an expense in the Statement of Profit & Loss.

ii) Defined Benefits Plan:

The cost of providing defined benefits like gratuity is determined using the Projected Unit Credit Method, with actuarial valuations carried out annually as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to Statement of Profit & Loss.

iii) Other Long Term Benefits:

The Company's liability towards the un-availed earned leaves in the account of an employee is a short term liability, as all the un-availed earned leaves as at the end of a financial year are en-cashed in the first month of the next financial year, as per the policy of the Company. The liability in this regard is provided on the basis of last drawn eligible salary as at the end of the year.

m) Earnings Per Share

Basic Earnings per Share is calculated by dividing the Net Profit/ (Loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

n) Impairment of assets

Impairment loss in the value of assets, as specified in Accounting Standard-28 is recognized whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

o) Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

(Amount in Thousand)

PARTICULARS	AS AT 31.03.2023 Rs.	AS AT 31.03.2022 Rs.
NOTE 2 SHARE CAPITAL		
<u>Authorised :</u>		
2,50,00,000 (Previous year		
2,50,00,000) Equity Shares of Rs. 10/-		
each	2,50,000	2,50,000
<u>Issued, Subscribed and Paid up :</u>		
1,98,00,000 (Previous year		
1,98,00,000) Equity Shares of Rs.10/-		
each fully paid up.	1,98,000	1,98,000
	1,98,000	1,98,000
a) Reconciliation of the number of shares outstanding is as follows :		
Equity Shares	<u>No of Shares</u>	<u>No of Shares</u>
At the beginning of the year	1,98,00,000	1,98,00,000
At the end of the year	1,98,00,000	1,98,00,000
b) Details of shareholders holding more than 5% of the Equity Shares in the company:		
<u>Particulars</u>	<u>As At 31.03.2023</u>	<u>As At 31.03.2022</u>
<u>Name of Shareholder</u>	<u>No. of Shares</u> <u>% holding</u>	<u>No. of Shares</u> <u>% holding</u>
Jaspal Singh Chawla	16,50,000 8.33	16,50,000 8.33
Harpal Singh Chawla	16,50,000 8.33	16,50,000 8.33
Sehaj Chawla	16,50,000 8.33	16,50,000 8.33
Jasbir Kaur Chawla	16,50,000 8.33	16,50,000 8.33
Marudhara (India) Pvt. Ltd.	66,00,000 33.34	66,00,000 33.34
V. Kumar Estates LLP	66,00,000 33.34	66,00,000 33.34
(Formerly V. Kumar Estates Pvt. Ltd.)		
c) Terms/rights attached to Equity Shares		
The company has only one class of Equity Share having par value of Rs 10/- per share. Each holder of Equity Shares is entitled to one vote per share.		
NOTE 3 RESERVES & SURPLUS	<u>As At 31.03.2023</u>	<u>As at 31.03.2022</u>
General Reserve		
Opening Balance	4,000.00	4,000.00
Closing Balance	4,000.00	4,000.00
(A)		
Surplus/ (Deficit) as per Statement of Profit & Loss		
Opening Balance	(9,07,344.60)	(2,95,721.22)
Add: Profit/ (Loss) during the year	3,499.46	(6,11,623.38)
Add: Exceptional Items (Earlier Years)	-	-
(B)	(9,03,845.14)	(9,07,344.60)
(A+B)	(8,99,845.14)	(9,03,344.60)
NOTE 4 LONG -TERM BORROWINGS	<u>AS AT 31.03.2023 Rs.</u>	<u>AS AT 31.03.2022 Rs.</u>
<u>SECURED LOANS</u>		
India Infoline Housing Finance Limited,	1,67,574.78	1,78,321.80
Cholamandalam Investment and Finance Co.Ltd., and		
Shriram Finance Limited		
Total	1,67,574.78	1,78,321.80
<u>UNSECURED LOANS</u>		
From Directors	8,61,375.29	9,13,900.29
From Related Parties	7,21,442.34	6,65,142.34
Total	15,82,817.63	15,79,042.63
Total	17,50,392.40	17,57,364.43
4.1 Term of Repayment :		
a Unsecured Loans are repayable on demand after expiry of 3 years as and when demanded.		
b Loan from IIFLHFL is repayable in monthly instalments commencing from March 2018 to May, 2043.		
c Loan from Cholamandalam Investment and Finance Co.Ltd. is repayable in monthly instalments commencing from May 2023 to April, 2033 .		
d Loan from Shriram Finance Limited is repayable in monthly instalments commencing from March, 2023 to February, 2033		
4.2 Loan from IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Limited) is secured by mortgage of 16 units in Project Palazzo and immovable property owned by company in which director is interested.		
Loan from Cholamandalam Investment and Finance Co.Ltd., is secured by mortgage of Unit No: G-1 AND S-1, at Tower-C, Spazedge, Sector-47, Gurgaon.		
Loan from Shriram Finance Limited is secured by mortgage of Unit No: F-1 at Tower-C, Spazedge, Sector-47, Gurgaon.		



NOTE 5	LONG TERM PROVISIONS Provision for Gratuity	3,786.36	3,879.37
		<u>3,786.36</u>	<u>3,879.37</u>
NOTE 6	Short Term Borrowings Current maturities of long-term borrowings Overdraft Facility with Bank - ICICI Bank Limited * Overdraft Facility with Bank - Union Bank of India*	11,402.59	33,160.38
		-	-
		<u>11,402.59</u>	<u>33,160.38</u>
NOTE 7	TRADE PAYABLES Micro, Small and Medium Enterprises Others - To Related Party - To Others	4,199.78	7,588.31
		91,778.84	91,873.84
		84,881.58	1,39,498.18
		<u>1,80,860.21</u>	<u>2,38,960.33</u>

NOTE 7A AGEING OF TRADE PAYABLES AS ON MARCH 31, 2023

Sr. No.	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Year	2 - 3 Year	More Than 3 Year	
(i)	MSME	4,199.78				4,199.78
(ii)	Others	19,998.84	6,111.04	9,408.55	1,41,142.00	1,76,660.43
(iii)	Disputed Due- MSME					-
(iv)	Disputed Due- Others					-
Total		24,198.62	6,111.04	9,408.55	1,41,142.00	1,80,860.21

NOTE 7B AGEING OF TRADE PAYABLES AS ON MARCH 31, 2022

Sr. No.	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Year	2 - 3 Year	More Than 3 Year	
(i)	MSME	7,588.31				7,588.31
(ii)	Others	73,951.16	5,800.70	50,606.55	1,01,013.61	2,31,372.03
(iii)	Disputed Due- MSME					-
(iv)	Disputed Due- Others					-
Total		81,539.47	5,800.70	50,606.55	1,01,013.61	2,38,960.33

NOTE 8	OTHER CURRENT LIABILITIES Security deposits and Retention Money Book Overdraft with Banks Booking and Project Advance Duties & Taxes Expenses Payable	5,77,833.56	6,76,179.32
		45,172.60	74,833.14
		14,05,453.44	12,39,014.59
		3,446.96	17,184.87
		48,574.82	38,522.33
		<u>20,80,481.38</u>	<u>20,45,734.26</u>
NOTE 9	SHORT-TERM PROVISIONS Provision for employee benefits - Provision for Gratuity	254.12	119.03
		<u>254.12</u>	<u>119.03</u>



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

(Amount in Thousand)

NOTE 10 Property, Plant, Equipments and Intangible Assets

S.No.	Particulars	Gross Block		Depreciation/Amortization		Net Block	
		As at 01.04.2022	Additions	Sale/ Adjustment	As at 31.03.2023	As at 01.04.2022	As at 31.03.2023
A	Property, Plant, Equipments						
1	Office Building	1,82,536.36	-	-	1,82,536	80,588.96	96,990
2	Computers	16,458.97	472.67	-	16,932	15,417.28	1,170
3	Motor Vehicle	1,34,716.71	-	-	1,34,717	1,33,643.83	954
4	Air Conditioning	2,309.43	-	-	2,309	2,184.47	125
5	Furniture & Fixture	64,131.61	-	-	64,132	60,866.07	3,225
6	Office Equipments	66,495.56	56.95	-	66,553	56,283.42	8,429
	Total	4,66,648.64	529.61	-	4,67,178.25	3,48,984.05	1,10,891.97
B	Intangible						
1	Software	5,438.62	-	-	5,439	5,219.25	209
	Total (B)	5,438.62	-	-	5,438.62	5,219.25	209.02
	Current Year (A+B)	4,72,087.26	529.61	-	4,72,616.87	3,54,203.29	1,11,101.00
	Previous Year	4,73,483.97	347.78	(1,744.50)	4,72,087.26	3,45,661.01	1,17,883.96
							1,27,822.97



PARTICULARS	AS AT		AS AT	
	31.03.2023		31.03.2022	
	Rs.		Rs.	
NOTE 11 NON-CURRENT INVESTMENTS (At Cost)				
<u>Trade Investments (Unquoted)</u>				
<u>In Equity Shares</u>				
<u>Subsidiary Companies</u>				
Raj Realtech Pvt Ltd.	10.00	10,000.00	1,750.00	10,000.00
Wellworth Housing Pvt Ltd.	10.00	10,000.00	3,000.00	10,000.00
<u>Others</u>				
Nikiyog Buildwell Pvt Ltd.	10.00	14,53,125.00	1,41,093.75	14,53,125.00
Total			1,45,843.75	1,45,843.75
Less: Provision for Diminution in the value of Investments			60,110.28	60,040.87
Net Investments in Shares			85,733.47	85,802.88
<u>In Immovable Properties</u>				
Units at Spaze Itech Park			1,538.68	3,942.44
Units at Spaze Platinum Towers			41,989.50	41,989.50
Plots in SCO Grand Central 114			5,50,673.80	6,87,542.21
			6,79,935.46	8,19,277.04
NOTE 12 DEFERRED TAX ASSETS				
Deferred Tax Assets on account of:				
- Depreciation		2,140.26		4,696.21
- Employee Benefits		1,404.35		1,431.56
- Carried Forward Business Loss		2,10,247.83		2,10,247.83
- Carried Forward Unabsorbed Depreciation		6,189.38		5,113.44
- Long Term Capital Loss		2,019.32		2,019.32
		2,22,001.14		2,23,508.36
NOTE 13 LONG TERM LOANS AND ADVANCES				
Advances to Subsidiary Companies		3,885.00		3,800.00
Total		3,885.00		3,800.00
NOTE 14 OTHER NON CURRENT ASSETS				
Security Deposit		20,061.64		19,151.64
		20,061.64		19,151.64
NOTE 15 INVENTORIES				
(as taken, valued and certified by the management)				
Work-in-Progress		8,25,056.54		7,82,402.67
		8,25,056.54		7,82,402.67
NOTE 16 TRADE RECEIVABLES				
(Unsecured, Considered Good)				
Due for more than six months -To others				
Other Debts		8,61,932.32		8,01,220.62
		8,61,932.32		8,01,220.62

NOTE 16A AGEING OF TRADE RECEIVABLES AS ON MARCH 31, 2023

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 Year	2 - 3 Year	More Than 3 Year	
(i)	Undisputed - Considered Good	11,262.57	1,28,690.68	36,040.64	2,61,217.61	4,24,720.83	8,61,932.32
(ii)	Undisputed - Considered Doubtfull						-
(iii)	Disputed - Considered Good						-
(iv)	Disputed - Considered Doubtfull						-
Total		11,262.57	1,28,690.68	36,040.64	2,61,217.61	4,24,720.83	8,61,932.32

NOTE 16B AGEING OF TRADE RECEIVABLES AS ON MARCH 31, 2022

Sr. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 Year	2 - 3 Year	More Than 3 Year	
(i)	Undisputed - Considered Good	5,613.89	2,05,631.18	1,11,214.85	1,64,157.04	3,14,603.67	8,01,220.62
(ii)	Undisputed - Considered Doubtfull						-
(iii)	Disputed - Considered Good						-
(iv)	Disputed - Considered Doubtfull						-
Total		5,613.89	2,05,631.18	1,11,214.85	1,64,157.04	3,14,603.67	8,01,220.62

NOTE 17 CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances with Scheduled Banks :

In Current Account

8,439.16

143.47

Cash on hand

51.44

146.51

Other Bank Balances

In Fixed Deposit Account*(including interest accrued thereon)

3,86,456.45

3,65,598.65

(Deposits held as margin money in lieu of BG's Issued for various Govt. authorities

& OD limits taken from Bank for the period 12 months to 48 months)

3,94,947.05

3,65,888.63



NOTE 18 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

Advance Paid For Project-Others	8,000.00	14,149.49
Advance Paid For Project-Related Party	40,210.00	40,125.00
Mobilization Advance	3,678.48	4,935.39
Other Advances	55,867.90	71,153.92
Taxation and Other advances with Govt Authorities	51,101.48	63,661.37
	<u>1,58,857.85</u>	<u>1,94,025.16</u>

NOTE 19 OTHER CURRENT ASSETS

Security Deposit	43,566.91	42,148.88
TDS Recoverable		
IIFL Home Finance Limited	1,702.39	2,434.78
Shriram Finance Limited	57.20	-
Cholamandalam Investment and Finance Co.Ltd.	95.99	-
Other advances to Authorities	2,131.45	2,131.45
	<u>47,553.94</u>	<u>46,715.11</u>



PARTICULARS	For the Year ended	For the Year ended
	31.03.2023	31.03.2022
	Rs.	Rs.
NOTE 20 REVENUE FROM OPERATIONS		
From Real Estate Activities	1,58,217.61	12,33,625.19
	<u>1,58,217.61</u>	<u>12,33,625.19</u>
NOTE 21 OTHER INCOME		
Interest Received	22,249.17	21,182.10
Liabilities Written Back	68,867.75	7,400.63
Profit on sale of Fixed Asset	-	61.50
Previous Years Relating Tax	-	12,343.68
Leased Rental Income	77,556.58	-
Profit on sale of Investment in Immovable Properties	2,236.04	-
Profit on sale of SCO plots	22,627.58	-
Leasing Brokerage Received	767.68	-
	<u>1,94,304.79</u>	<u>40,987.91</u>
NOTE 22 PROJECT EXPENSES		
Land Development & Project Cost	1,50,938.45	3,20,279.47
Salary and Wages	6,429.51	9,899.96
Licence and Related Expenses	-	368.97
Interest and Financial Charges	47,304.39	1,33,941.33
Brokerage	855.89	525.00
Other Project Expenses	3,425.42	469.57
	<u>2,08,953.66</u>	<u>4,65,484.30</u>
NOTE 23 CHANGE IN INVENTORIES		
Opening Work In Progress	7,82,402.67	22,77,977.42
Less: Work In Progress adjusted	-	-
Less: Closing Work In Progress	8,25,056.54	7,82,402.67
	<u>(42,653.87)</u>	<u>14,95,574.76</u>
NOTE 24 EMPLOYEE BENEFITS EXPENSE		
Salary, Wages and other Payments	51,492.27	51,657.78
Director's Remuneration	-	-
Contribution to Provident and other funds	978.24	1,486.31
Workmen and Staff Welfare Expenses	1,634.00	1,832.01
	<u>54,104.51</u>	<u>54,976.10</u>
NOTE 25 FINANCE COSTS		
Interest on Borrowings	172.79	1,384.97
	<u>172.79</u>	<u>1,384.97</u>
NOTE 26 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on Tangible Assets	7,302.23	8,520.30
Amortization of Intangible Assets	10.35	21.99
	<u>7,312.58</u>	<u>8,542.29</u>
NOTE 27 OTHER EXPENSES		
Rates & Taxes	2,284.13	18,261.59
Repairs and Maintenance -Building	437.93	354.85
Repairs and Maintenance -others	736.46	729.16
Insurance	198.50	280.53
Legal & Professional Charges	9,223.06	17,834.30
Advertisement and Sales Promotion Expenses	789.13	3,068.44
Telephone & Communication Expenses	659.85	766.57
Travelling expenses	472.64	273.28
Conveyance	5,749.66	6,049.99
General Expenses	12,927.92	11,841.49
Prior Period Items - Net	201.30	825.67
Bank Charges	6,606.84	8,151.84
Provision for Diminution in the value of Investments	69.41	29.05
Leased Rental charges	78,919.22	-
Loss on sale of Investment in Immovable Properties	-	5,947.97
Loss from LLP Spaze projects infra	-	1.01
Payment to Auditors	350.00	350.00
	<u>1,19,626.04</u>	<u>74,765.73</u>



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

(Amount in Thousand)

PARTICULARS	As At 31.03.2023	As At 31.03.2022
	Rs.	Rs.
NOTE 28 CONTINGENT LIABILITIES		
(a) Bank Guarantees	3,71,053.42	3,60,980.21
(b) Contingent liabilities		
a) Service Tax FY till 2015-16	18,253.28	18,253.28
b) Service Tax FY 2016-17 and FY 2017-18*	1,972.82	1,972.82
*upto June 17 (before GST)		

NOTE 29 As per information available to the Management, an amount of RS. 4,199.78/- thousands is due to small scale and micro Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. The same has been reported in the financial statements accordingly.

NOTE 30 The disclosure required under Accounting Standard -15, Employees Benefit, notified in the Companies (Accounting Standard) Rules, 2006 are given below:

PARTICULARS	As At 31.03.2023	As At 31.03.2022
	Rs.	Rs.
<u>Defined Contribution Plan</u>		
Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:		
Employer's Contribution to Provident & other Fund	978.24	1,486.31
<u>Defined Benefit Plan</u>		
The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Gratuity (Unfunded)		
Defined Benefit obligation at beginning of the year	3,998.39	4,138.26
Adjustment on Amalgamation		
Current Service Cost	773.51	945.25
Interest Cost	288.68	281.40
Actuarial (gain)/loss	(385.91)	(354.94)
Benefits (paid)	(634.20)	(1,011.58)
Defined Benefit obligation at year end	4,040.48	3,998.39
b) Reconciliation of fair value of assets and obligations		
Present value of obligation as at end of the year	4,040.48	3,998.39
Amount recognised in Balance Sheet	4,040.48	3,998.39
c) Expenses recognized during the year		
Current Service Cost	773.51	945.25
Interest Cost	288.68	281.40
Actuarial (gain) / loss	(385.91)	(354.94)
Net Cost	676.29	871.71
d) Actuarial assumptions		
Mortality Table (IALM)	2012-14	
Economic Assumptions	31.03.2021	31.03.2023
Discount rate (per annum) compounded	6.80%	7.38%
Rate of escalation in salary (per annum)	5.50%	5.50%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The above information is certified by the Actuary.



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

NOTE 31 SEGMENT REPORTING

Having regard to integrated nature of real estate development business of the company, the requirement of "Segmental Reporting" pursuant to Accounting Standard (AS-17) is not applicable.

NOTE 32 RELATED PARTY DISCLOSURES

Pursuant to Accounting Standard (AS-18) - "Related Party Disclosure" issued by Institute of Chartered Accountants of India following parties are to be treated as related parties

Summary of transactions of the related parties classified below is attached as annexure.

Name of Related Parties and Nature of Related Party Relationships (as certified by the management and relied upon by the auditors)

- | | | |
|--|---|---|
| 1 Entities Having Common Key Management Personnel : | M/s. Nikiyog Buildwell Pvt Ltd.
M/s. Denon India Ltd.
M/s. Wellworth Constructions Pvt Ltd.
M/s. Get Sanitizeit Pvt. Ltd.
M/s. Marudhara (India) Pvt. Ltd.
M/s. G. P And Company Pvt. Ltd.
M/s. Spaze Projects Infraa | |
| 2 Key Management Personnel (Directors): | Mr. Jaspal Singh Chawla
Mr. Deepak Kumar
Mr. Vipin Sharma | Mr. Harpal Singh Chawla
Mr. Bharat Bhushan Kumar
Mr. Aman Sharma |
| 3 Relatives of Key Management Personnel (Directors): | Mr. Gurpal Singh Chawla
Mr. Sumeen Chawla
Mrs. Manpreet Kaur Chawla
Mrs. Rita Kumar
Ms. Nikita Kumar
Mrs. Poonam Sharma
Mr. Sehaj Chawla | Mrs. Gurpreet Kaur Chawla
Mrs. Vandana Chawla
Mrs. Chhavi Chawla
Mrs. Monica Kumar
Ms. Yogyata Kumar
Mrs. Sonia Sharma |
| 4 Subsidiary companies : | M/s Raj Realtech Pvt. Ltd
M/s Wellworth Housing Pvt. Ltd. | |
| 5 Enterprises over which above individuals have significant influence: | M/s. Preserve Facilitiez Pvt. Ltd.
M/s. Chawla Enterprises Ltd. | |

RELATED PARTY TRANSACTIONS

Nature of Related Party	Nature of Transaction	Amount of Transaction	As at 31.03.2023	As at 31.03.2022
Subsidiary Company	Loans & Adv. Recd back	24.9	3,885.0 Dr	3,800.0 Dr
	Loan Received	33.9		
Associate Company	Loan Repaid	8,568.9	4,03,362.5 Cr	4,11,897.5 Cr
	Security Received	-		
	Security Paid	-	5,00,000.0 Cr	5,00,000.0 Cr
	Current Account Debited	18,516.7		
	Current Account Credited	7,227.1	81,464.3 Cr	92,753.9 Cr
Key Management Personnel	Loan Received	39,950.0		
	Loan Repaid	92,475.0	8,61,375.3 Cr	9,13,900.3 Cr
Relatives of Key Management Personnel	Loan Received	70,800.0		
	Loan Repaid	6,050.0	2,77,869.8 Cr	2,13,119.8 Cr
	Salary	-		
	Consultancy Fee	3,000.0	-	-

PARTICULARS

As At 31.03.2023
Rs.

As At 31.03.2022
Rs.

NOTE 33 Directors' Remuneration
Remuneration

-
-

-
-



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

NOTE 34 Payment to Auditors

Audit Fees	240.00	240.00
Tax Audit Fees	60.00	60.00
In Other Capacity	50.00	50.00
	<u>350.00</u>	<u>350.00</u>

NOTE 35 (a) CIF Value of Imports

Materials	-	-
	<u>-</u>	<u>-</u>

(b) Expenditure in foreign currency

Tours and Travelling	-	-
	<u>-</u>	<u>-</u>

(c) Earnings in foreign currency

Advance against sale of Flats	2,435.90	3,268.74
	<u>2,435.90</u>	<u>3,268.74</u>

NOTE 36

The Company has filed an application under clause 7(5) of Haryana Alternative Tax Compliance Scheme for Contractors, 2016, for the period upto 31st March, 2014, which has been accepted by the competent authority and the VAT department has completed the assessment and demanded amount has been paid in full for period till 31st March, 14. The assessment for subsequent year is pending / in progress, as on the close of the year, accordingly such VAT amount has been demanded from the customers for subsequent years. Adjustment, if any, arising out of the proceedings will be provided on finality.

NOTE 37

The list of legal cases pending as at 31st March 2023 against the Company is given with the financial statements and the Management is of the view that these cases would not have major impact on the financial status of the Company and also would not be prejudicial against the interest of internal as well as external stakeholders. However, determination of exact liability of the pending cases is under process and will be ascertained once cases will reach their final stage.

NOTE 38

As regards to the Projects namely "Spaze Arrow", which is under collaboration with Mr. Ishan Singh and was to be developed by the Spaze Towers Pvt Ltd., however the said Project not completed, as project has been stalled/ is incomplete due to ongoing litigation between land owner i.e. Mr. Ishan Singh and M/s. Spaze Towers Pvt Ltd., therefore this project is not considered under POCM.

NOTE 39 Operating Cycle

The Company's normal operating cycle in respect of business operations is based on 36 to 60 months depending on the Project's nature and its technical evaluation. Assets and Liabilities have been classified into current and non-current based on the operating cycle of business operations.

NOTE 40

The company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 issued by the Institute of Chartered Accountants of India.

NOTE 41

Trade Receivables, Trade Payables, Loans & Advances and Unsecured Loans have been taken at their book value and in the opinion of the management, the realizable value of all current assets, loans and advances in the ordinary course of business will not be less than their value stated in balance sheet.

Non-current Investments in the subsidiaries and associates has been taken at their book values less provision made for diminuation in the value of investment on the basis of net worth of the respective companies.



Notes annexed to and forming part of Balance Sheet as at 31st March, 2023
and Statement of Profit & Loss for the year ended on that date

NOTE 42 Balance in parties accounts are subject to confirmations and reconciliations.

NOTE 43 PREVIOUS YEAR FIGURES

Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.

NOTE 44 Additional Regulatory Informations.

- (i) There is no such property of which title deeds are not in the name of company.
(ii) Company has not revalued its property/Intangible assets.
(iii) Details of loans or advances given to any promotor, directors, KMP and related party which is repayable on demand or without specifying any term or period of repayment are as under:-

Type of Borrower	2022-2023		2021-22	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter		-		0.00%
Directors		-		0.00%
KMPs		-		0.00%
Related Parties	44095.00	27.09%	43925.00	22.20%

- (iv) There is no Capital Work-in-Progress. Disclosure regarding the CWIP is not applicable.
(v) There is no Intangible Assets under Developments. Disclosure regarding the same is not applicable.
(vi) No Benami Property is held by Company.
(vii) The Company has no borrowing from bank or financial institution. There is no any submission regarding the same is applicable.
(viii) Company is not declared by any lender as wilful defaulters.
(ix) During the year company has not done any transaction with struckoff company / companies.
(x) During the year some charges were created and two charges are modified.
(xi) Company has complied with provisions of layers of companies rule.
(xii) Ratios are disclosed in Note No. 46 to the Financial Statements.
(xiii) Compliance with any approved scheme of Arrangements is not applicable.
(xiv) Utilization of Borrowed funds and share Premium: Company has not given or availed loan or advance to any intermediaries. No Disclosure is required for the same.
(xv) Corporate Social Responsibility: The Company does not comply the eligibility criteria of applicability of section 135 of Companies Act.2013.
(xvi) Crypto currency or virtual currency disclosure: Company has neither traded nor invested in any Crypto currency or virtual currency.
(xvii) There is no any transaction which required to be recorded in the books of account, which has been surrendered before Income Tax Authorities.



SPAZE TOWERS PVT LTD

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2023

Note 45 - Ratios

(Rs. In Thousand)

Sr. No	Ratios	Current Year (01.04.22 to 31.03.23)			Previous Year (01.04.21 to 31.03.22)			% Change
		Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
(a)	Current Ratio	Current Assets	Current Liabilities		Current Assets	Current Liabilities		
		22,88,348	22,61,596	1.01	21,90,252	22,84,814	0.96	-5.55%
(b)	Debt Equity Ratio	Debt	Equity		Debt	Equity		
		17,61,795	(7,01,845)	-2.51	17,90,525	(7,05,345)	-2.54	1.11%
(c)	Debt Service Coverage Ratio	Earning Available for Debts (EBITDA)	Debt Service		Earning Available for Debts (EBITDA)	Debt Service		
		12,492	1,33,493	0.09	(8,16,188)	40,808	-20.00	100.47%
(d)	Return on Equity Ratio	Net Income	Equity		Net Income	Equity		
		3,499	(7,01,845)	0%	(6,11,623)	(7,05,345)	87%	100.58%
(e)	Inventory Turnover Ratio	Total Turnover (COGS)	Average Inventory		Total Turnover (COGS)	Average Inventory		
		1,58,218	8,03,730	0.20	12,33,625	20,14,048	0.61	67.86%
(f)	Trade Receivable Turnover Ratio	Total Turnover (Credit Sales)	Average Trade Receivable		Total Turnover (Credit Sales)	Average Trade Receivable		
		1,58,218	8,31,576	0.19	12,33,625	7,43,048	1.66	88.54%
(g)	Trade Payable Turnover Ratio	Total Purchase (Credit Purchase)	Average Payables		Total Purchase (Credit Purchase)	Average Payables		
		2,08,954	5,894	35.45	4,65,484	8,472	54.94	35.48%
(h)	Net Capital Turnover Ratio	Total Turnover	Working Capital		Total Turnover	Working Capital		
		1,58,218	26,752	5.91	12,33,625	(94,561)	-13.05	145.33%
(i)	Net Profit Ratio	Net Profit	Total Turnover		Net Profit	Total Turnover		
		3,499	1,58,218	2%	(6,11,623)	12,33,625	-50%	104.46%
(j)	Return on Capital Employed	EBIT	Capital Employed		EBIT	Capital Employed		
		5,179	10,59,950	0%	(8,24,730)	10,85,180	-76%	100.64%
(k)	Return on Investment	Net Income	Average Total Assets		Net Income	Average Total Assets		
		3,499	33,49,603	0%	(6,11,623)	40,76,159	-15%	100.70%
(i) Debt represents Long Term & Short Term Borrowings.					(iv) Income represents Net profit after taxes.			
(ii) Debt Service is equal to Principal Repayments + Interest.					(v) Net Profit represents Net profit after taxes.			
(iii) Capital Employed = Equity Capital + Reserve & Surplus + Total Long Term & Short Borrowings + Deferred Tax Liability.					(vi) Turnover represents Revenue from operations excluding other Income.			

1. There are changes in all income based ratio and debt service coverage ratio by more than 25% due to the reason that during the year the company has earned slight profit as compare to incurred heavy losses in the previous year.
2. There are changes in the debt equity ratio by more than 25%, due to heavy loss was incurred in the previous year due to the hived off of the project Sector 114, the equity of company has declined heavily in the previous year as compare to the current year.
3. There are changes in current assets ratio and net capital turnover ratio by more than 25%, due to the reason that in the current year current assets declined heavily due to the hived off the project Sector 114 as compare to the decline in the current liability.
4. There are changes in inventory turnover ratio and trade receivable turnover ratio by more than 25%, due to the reason that the current assets and turnover has decreased considering the POCM method followed by the company.
5. There are changes in inventory trade payable ratio by more than 25% & improved during the year, due to the reason that the company has discharged the liability of trade payable in comparasion to the expenses incurred by the company during the year.

For M/s ARORA & BANSAL

Firm Registration No: 003368N

Chartered Accountants

RAJESH ARORA

Partner

Membership No: 081884

UDIN: 23081024BASMRQ6307

Place: Gurugram

Date: 05th September, 2023

For and on behalf of the Board of Directors

Aman Sharma
(Director)
(DIN: 00381637)

Bharat Bhushan Kumar
(Director)
(DIN: 00064687)

Harpal Singh Chawla
(Director)
(DIN: 00516241)

Meenakshi Saini
(Company Secretary)
M.No.-A40979