

Melmont Construction Private Limited
CIN: U74210KA2004PTC034801
Balance Sheet for the year ended March 31, 2024

(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
(a) Financial assets			
(i) Loans	3	-	4,856.85
(ii) Other financial assets	4	2.36	-
(b) Deferred tax assets (net)	5	279.88	132.10
(c) Assets for current tax (net)	6	218.17	146.03
(d) Other non-current assets	7(a)	1.65	2.40
Total non-current assets		502.06	5,137.38
Current assets			
(a) Inventories	8	21,907.31	17,666.79
(b) Financial assets			
(i) Trade Receivables	9	40.50	-
(ii) Cash and cash equivalents	10	371.53	9.61
(c) Other current assets	7(b)	62.27	3.87
Total current assets		22,381.60	17,680.27
Total assets		22,883.66	22,817.65
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	11	1.00	1.00
(b) Other equity	12	(1,220.25)	(770.27)
Total equity		(1,219.25)	(769.27)
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(a)	-	23,368.26
Total Non-current liabilities		-	23,368.26
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(b)	23,077.92	-
(ii) Trade payables	14		
a) total outstanding dues of micro enterprises and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		113.45	69.89
(b) Other current liabilities	15	911.54	148.77
Total current liabilities		24,102.91	218.66
Total equity and liabilities		22,883.66	22,817.65
Summary of material accounting policies	2.2		

The accompanying notes referred to above form an integral part of the financial statements

As per our report of even date

For S.R. Batiiboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
Melmont Construction Private Limited
CIN: U74210KA2004PTC034801

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Jasbir Ashish Puravankara
Director
DIN 01918184

Abhishek Kapoor
Director
DIN 03456820

Place: Bengaluru
May 20, 2024

Place: Bengaluru
May 20, 2024

Melmont Construction Private Limited
CIN: U74210KA2004PTC034801
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

	Note	March 31, 2024	March 31, 2023
Income			
Revenue from operations		-	-
Other income	16	723.03	789.46
Total		<u>723.03</u>	<u>789.46</u>
Expenses			
Sub-contractor cost		178.66	-
(Increase)/ decrease in inventories of work-in-progress	17	(4,240.52)	(2,456.15)
Finance costs	18	5,236.14	3,319.29
Other expenses	19	146.52	171.88
Total expenses		<u>1,320.80</u>	<u>1,035.02</u>
Profit/(loss) before tax		<u>(597.77)</u>	<u>(245.56)</u>
Tax expense			
Current tax		-	-
Deferred tax		(147.79)	(61.81)
Total tax expense		<u>(147.79)</u>	<u>(61.81)</u>
Profit/(loss) for the year		<u>(449.98)</u>	<u>(183.75)</u>
Other comprehensive income/(loss) ('OCI')			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains/(losses) on defined benefit plans		-	-
(ii) Income tax relating to above		-	-
Total other comprehensive income/(loss)		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year (comprising profit and OCI)		<u>(449.98)</u>	<u>(183.75)</u>
Earnings per equity share ('EPS')			
(Nominal value per equity share Rs. 10 (March 31, 2023 - Rs.10)			
Basic (Rs.)		(4,499.80)	(1,837.50)
Diluted (Rs.)		(4,499.80)	(1,837.50)
Weighted average number of equity shares used in computation of EPS			
Basic - in numbers		10,000	10,000
Diluted - in numbers		10,000	10,000

Summary of material accounting policies

2.2

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Melmont Construction Private Limited
CIN: U74210KA2004PTC034801
Statement of cash flow for the year ended March 31, 2024
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

	Note	March 31, 2024	March 31, 2023
A. Cash flow from operating activities			
Profit/(loss) before tax		(597.77)	(245.56)
Adjustments to reconcile profit before tax to net cash flows			
Finance costs		5,236.14	3,319.29
Interest income		(723.03)	(789.46)
Operating profit before working capital changes		3,915.34	2,284.27
Working capital adjustments:			
Decrease/(increase) in inventories		(4,240.52)	(2,456.15)
Decrease/(increase) in trade receivables		(40.50)	-
Decrease/(increase) in other assets		(60.01)	(3.87)
Increase/(decrease) in trade payables		43.56	23.13
Increase/(decrease) in other liabilities		762.77	144.91
Cash (used in)/ received from operations		380.65	(7.72)
Income tax paid (net)		-	-
Net cash flows (used in)/from operating activities		380.65	(7.72)
B. Cash flows from investing activities			
Loans repaid by related parties		4,856.85	-
Finance income received from related party		650.89	-
Net cash flows from / (used in) investing activities		5,507.74	-
C. Cash flows from financing activities			
Loans taken from related parties		22,575.58	10.24
Redemption of Debentures		(28,102.06)	-
Net cash (used in)/from financing activities		(5,526.48)	10.24
Net (decrease)/increase in cash and cash equivalents (A + B + C)		361.92	2.52
Cash and cash equivalents at the beginning of the year		9.61	7.09
Cash and cash equivalents at the end of the year		371.53	9.61
Components of cash and cash equivalents			
Cash and cash equivalents	10		
Cash on hand		0.26	0.25
Balances with banks			
In current accounts		371.27	9.36
Cash and cash equivalents reported in cash flow statement		371.53	9.61

Refer note 10 for changes in liabilities arising from financing activities.

Summary of material accounting policies

2.2

The accompanying notes referred to above form an integral part of the financial statements

As per our report of even date

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Place: Bengaluru
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Melmont Construction Private Limited
CIN: U74210KA2004PTC034801
Statement of changes in equity for the year ended March 31, 2024
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

A. Equity share capital

Particulars	As at	Movement	As at	Movement during	As at
	01 April 2022	during 2022-23	March 31, 2023	2023-24	March 31, 2024
Equity shares of Rs. 10 each fully paid	1.00	-	1.00	-	1.00
	1.00	-	1.00	-	1.00

Note: Also refer note 11

B. Other equity

Particulars	Reserves and surplus	
	Retained Earnings	Total
Balance as at 1 April 2022	(586.52)	(586.52)
Profit/ (loss) for the year	(183.75)	(183.75)
Other Comprehensive Income	-	-
Total comprehensive income / (loss) for the year	(183.75)	(183.75)
Balance as at March 31, 2023	(770.27)	(770.27)
Profit/ (loss) for the year	(449.98)	(449.98)
Other Comprehensive Income	-	-
Total comprehensive income / (loss) for the year	(449.98)	(449.98)
Balance as at March 31, 2024	(1,220.25)	(1,220.25)

Note: Also refer note 12

Summary of material accounting policies

2.2

The accompanying notes referred to above form an integral part of the financial statements

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May 20, 2024

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Melmont Construction Private Limited
Notes to Financial Statements for the year ended March 31, 2024
CIN: U74210KA2004PTC034801
(All amounts in Indian Rs. Lakhs, unless otherwise stated)

1. Corporate information

Melmont Construction Private Limited (the 'Company') was incorporated on October 04, 2004 under the provisions of the Companies Act applicable in India ("Act"). The registered office is located at 130/1, Ulsoor Road, Bangalore, Karnataka 560042, India. The Company is engaged in the business of real estate development. Its debentures are listed on BSE Limited (BSE).

The Company has incurred losses of Rs. 449.98 lakhs (March 31, 2023: Rs. 183.75 lakhs) for the year ended March 31, 2024, and it has accumulated losses of Rs. 1,220.25 lakhs (March 31, 2023: Rs. 770.27 lakhs) against equity capital of Rs. 1 lakh as at March 31, 2024 (March 31, 2023: Rs. 1 lakh). The Company is in the initial phase of its operations and in the process of executing a real estate project. Further, Puravankara Limited, the holding company is committed to provide financial and operational support to the Company for its profitable operations in the foreseeable future.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 20, 2024.

2. Material accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the Companies (Accounts) Rules, 2014, as amended, and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values 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.

2.2 Summary of material accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

(b) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as four years for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

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(c) Impairment

A. Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

B. Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(d) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs 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/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

The Company treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

(e) Inventories

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised 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.

i. Work-in-progress: Represents cost incurred in respect of unsold area (including land) 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 - Stock of Flats: Valued at lower of cost and net realizable value.

iii. Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv. Land stock: Valued at lower of cost and net realizable value.

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.

(f) Land

Advances paid by the Company to the seller/ intermediary toward 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/ capital work in progress.

(g) Revenue recognition

i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

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Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent.

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project. Revenue is recognised over time using input method, on the basis of the inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as discussed above.

Contract balances:

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. 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 is recognised for the earned consideration that is conditional.

Trade 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 the 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 recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Cost to obtain a contract:

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The Company incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

ii) Interest income

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

iii) Dividend income

Revenue is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

(h) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

i) Initial recognition - Foreign currency transactions 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.

ii) Conversion - Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

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iii) Exchange differences - The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

(i) Retirement and other employee benefits

The provisions of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948, Payment of Gratuity Act, 1972 etc. are not applicable to the Company as the number of employees are less than the minimum required employees under the said acts.

(j) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(k) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

(l) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability, except for transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss which are immediately recognized in statement of profit and loss.

i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the

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financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- ii. Financial assets at fair value through profit or loss
Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. Investments in debt instruments have been measured at fair value through profit or loss.
- iii. Debt instruments at amortized cost
Investment in debt instrument is measured at fair value through profit and loss.
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.
- iv. De-recognition of financial asset
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.
- v. Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.
- vi. Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- vii. Financial liabilities at amortized cost
Financial liabilities are subsequently measured at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.
- viii. De-recognition of financial liability
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.
- ix. Fair value of financial instruments
In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

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

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
 - ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
 - ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(m) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue 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 or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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(n) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management makes judgement, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements.

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

i) *Revenue from contracts with customers*

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) *Identification of performance obligation*

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent. In assessing whether performance obligations relating to sale of undivided share of land and constructed area are highly interrelated/ interdependent, the Company considers factors such as:

- whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.
- whether the entity will be able to fulfil its promise under the contract, to transfer the undivided share of land without transfer of constructed area or transfer the constructed area without transfer of undivided share of land.

b) *Timing of satisfaction of performance obligation*

Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the entity considers the same as transferred at a point in time.

For contracts where control is transferred at a point in time the Company considers the following indicators of the transfer of control of the asset to the customer:

- When the entity obtains a present right to payment for the asset.
- When the entity transfers legal title of the asset to the customer.
- When the entity transfers physical possession of the asset to the customer.
- When the entity transfers significant risks and rewards of ownership of the asset to the customer.
- When the customer has accepted the asset.

The aforesaid indicators of transfer of control are also considered for determination of the timing of derecognition of investment property.

c) *Significant financing component*

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

ii) *Estimation of net realizable value for inventory and land advance*

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

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With respect to land inventory and land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Measurement of financial instruments at amortized cost

Financial instrument are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

vi) Provision for litigations and contingencies

Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgements involved in such estimation the provision is sensitive to the actual outcome in future periods.

vii) Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, which involves judgements around estimation of future taxable profit. Due to judgements involved in such estimation, the same is sensitive to the actual outcome in future periods.

2.4 Changes in accounting policies and disclosures

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Company applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The amendments had no impact on the Company's financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS, to the extent applicable, like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

March 31, 2024 March 31, 2023

3 Loans (Unsecured, considered good)

Loans to related party (refer note 23)	-	4,856.85
	<u>-</u>	<u>4,856.85</u>

Loans to subsidiaries, joint ventures and other related parties include

Dues from Purva Realities Private Limited in which the Company's director is a director	-	4,856.85
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Details of loans:

Party Name	Nature	Interest rate	Tenure	March 31, 2024	March 31, 2023
Purva Realities Private Limited	Fellow subsidiary	16%	Repayable at the end of the tenure of 9 years i.e. by FY 2029 or subject to availability of distributable cash before tenure completion	-	4,856.85

a) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

b) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

c) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties.

d) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ('the Act) are applicable have been complied with by the Company.

4 Other financial assets (Unsecured, considered good unless otherwise stated)

Non-current

Non-current bank balances	2.36	-
	<u>2.36</u>	<u>-</u>

5 Deferred tax assets (net)

Deferred tax asset arising on account of :

Deferred tax on unused tax losses	279.88	132.10
	<u>279.88</u>	<u>132.10</u>

Reconciliation of deferred tax assets/ (liabilities) (net)

Net deferred tax asset at the beginning of the year	132.10	70.29
Tax income/(expense) during the year recognized in profit and loss	(147.79)	(61.81)
Tax income/(expense) during the year recognized in OCI	-	-
Net deferred tax asset at the end of the year	<u>279.88</u>	<u>132.10</u>

The unused tax losses can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year in which the loss was first computed and would expire if not utilised starting from financial year 2026-27 to 2031-32.

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss:

Profit or loss section:

Current tax:

Current income tax charge	-	-
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Deferred tax:

Relating to origination/ reversal of deferred tax		
> Decrease/(increase) in deferred tax assets	(147.79)	(61.81)
Income tax expense reported in the statement of profit and loss	<u>(147.79)</u>	<u>(61.81)</u>

OCI section:

Deferred tax related to items recognised in OCI during the year	-	-
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Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Accounting profit before income tax	(597.77)	(245.56)
Statutory income tax rate applicable	25.17%	25.17%
Tax on accounting profit at statutory income tax rate	(147.79)	(61.81)
Income tax expense	<u>(147.79)</u>	<u>(61.81)</u>

6 Assets for current tax (net)

Advance income tax (net of provision for taxation)	218.17	146.03
	<u>218.17</u>	<u>146.03</u>

7 Other assets (Unsecured, considered good unless otherwise stated)

a Non- Current

Deposits with government authorities	1.65	2.40
	<u>1.65</u>	<u>2.40</u>

b Current

Advances to suppliers	62.27	2.88
Prepaid expenses	-	0.99
	<u>62.27</u>	<u>3.87</u>

8 Inventory

(valued at lower of cost and net realisable value)		
Work-in-progress- real estate	21,907.31	17,666.79
	<u>21,907.31</u>	<u>17,666.79</u>

Note: Details of assets pledged are as per note no.13

March 31, 2024 March 31, 2023

9 Trade receivables

Unsecured, considered good

Dues from related parties

40.50 -

40.50 -

Trade receivables Ageing Schedule

As at 31 March 2024	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables considered good	40.50	-	-	-	-	40.50
Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable credit impaired	-	-	-	-	-	-
Disputed Trade receivables considered good	-	-	-	-	-	-
Disputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables credit impaired	-	-	-	-	-	-
Total	40.50	-	-	-	-	40.50

Trade receivables Ageing Schedule

As at 31 March 2023	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables considered good	-	-	-	-	-	-
Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable credit impaired	-	-	-	-	-	-
Disputed Trade receivables considered good	-	-	-	-	-	-
Disputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables credit impaired	-	-	-	-	-	-
Total	-	-	-	-	-	-

10 Cash and cash equivalents

Cash on hand

0.26 0.25

Balances with banks

In current accounts

371.27 9.36

371.53 9.61

Cash and cash equivalents reported in cash flow statement

371.53 9.61

Changes in liabilities arising from financing activities

(a) Borrowings:

Balance as at April 1, 2022

**Borrowings
(Current & Non-current)**

20,038.74

Add: Cash inflows

10.24

Add: Finance cost

3,319.29

Balance as at March 31, 2023

23,368.26

Add: Cash inflows

22,575.58

Less: Cash outflows

(28,102.06)

Add: Finance cost

5,236.14

Balance as at March 31, 2024

23,077.92

	March 31, 2024	March 31, 2023
11 Equity share capital		
Authorized shares		
50,000 (March 31, 2023 - 50,000) equity shares of Rs. 10 each	5.00	5.00
Issued, subscribed and fully paid-up shares		
10,000 (March 31, 2023 - 10,000) equity shares of Rs. 10 each	1.00	1.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	March 31, 2024		March 31, 2023	
	Number	Rs. In Lakhs	Number	Rs. In Lakhs
Balance at the beginning of the year	10,000	1.00	10,000	1.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	1.00	10,000	1.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

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

c. Details of shareholders holding more than 5% shares in the company

	March 31, 2024		March 31, 2023	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 100 each fully paid-up				
Puravankara Limited	10,000	100.00%	10,000	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d. Shares held by promoters

As at March 31, 2024

Promoter Name	Class of equity shares	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	% change during the year
Puravankara Limited - Holding Company	Equity shares of Rs.10 each	10,000	-	10,000	100%	0%

As at March 31, 2023

Promoter Name	Class of equity shares	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	% change during the year
Puravankara Limited - Holding Company	Equity shares of Rs.10 each	10,000	-	10,000	100%	0%

e. Shares held by holding/ultimate holding and/or their subsidiaries/associates

Puravankara Limited, the holding company		
10,000 (March 31, 2023 - 10,000) equity shares of Rs. 10 each	1.00	1.00

	March 31, 2024	March 31, 2023
12 Other equity		
Reserves and surplus		
Retained earnings		
Balance at the beginning of the year	(770.27)	(586.52)
Total comprehensive income for the year	(449.98)	(183.75)
Balance at the end of the year	<u>(1,220.25)</u>	<u>(770.27)</u>
Total other equity	<u>(1,220.25)</u>	<u>(770.27)</u>

13 Borrowings

a Non-current borrowings

Secured

Nil (March 31, 2023: 1,650) Listed Rated Secured Redeemable Non-Convertible Debentures of Rs. 10 lakhs each
Loan from Holding Company (refer note 23)

-	23,081.23
-	287.03
<u>-</u>	<u>23,368.26</u>

b Current borrowings

Unsecured

Loans from Holding Company (refer note 23)
Loans from related party (refer note 23)

22,980.81	-
97.11	-
<u>23,077.92</u>	<u>-</u>

Note 1: Assets pledged as security

The carrying amounts of assets pledged as security are:

Inventories pledged as security for debentures

	March 31, 2024	March 31, 2023
-	-	17,666.79

Inventories pledged as security for term loan taken by Holding Company

21,907.31	-
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Note 2: Details of nature of security, guarantees given by directors and repayment terms of borrowings

Category of loan	March 31, 2024	March 31, 2023	Effective interest rate	Repayment details	Nature of security
Current Borrowings:					
Loan from Holding Company	22,980.81	-	9.40%	Repayable on demand	Unsecured
Loan from Related Party	97.11	-	9.40%	Repayable on demand	Unsecured
Non-current Borrowings:					
Debentures	-	23,081.23	16.00%	Repayable at the end of the tenure of 9 years i.e. by 2029 or subject to availability of distributable cash before tenure completion	a) Underlying project inventory of the Company b) Corporate guarantee from Holding Company and fellow subsidiary* c) Project inventory of the Holding Company and fellow subsidiary*
Loan from Holding Company	-	287.03	10.00%	Repayable at the end of the tenure of 9 years i.e. by 2029 or subject to availability of distributable cash before tenure completion.	Unsecured

*Also refer Note 01 above

Note 03:

The above loans were applied for the purpose for which such loans were obtained. Also, the Company has not defaulted in repayment of the above loans and interest thereon.

Note 04:

Listed Rated Secured Redeemable Non-Convertible Debentures:

The Company had issued 1,650 debentures of Rs.10 Lakhs each aggregating to Rs.16,500 lakhs by way of private placement on December 23, 2020, which were listed on BSE Limited on December 31, 2020. The aforesaid debentures were secured by way of mortgage of inventories of the Company, a fellow subsidiary and the Holding Company requiring 100% asset cover as per debenture trust deed (actual security cover of 136% as at December 31, 2023).

On March 28, 2024, the Company has fully redeemed the aforesaid debentures of Rs.16,500 lakhs and also paid the accrued interest thereon of Rs.7,682 lakhs and redemption premium of Rs3,920 lakhs. Further, on March 29, 2024, the Company has intimated the stock exchange regarding early full redemption of the aforesaid debentures. Consequently, the maintenance of security cover as at March 31, 2024 is not applicable as the aforesaid debentures are fully redeemed.

Note 05:

The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets.

14 Trade payables	March 31, 2024	March 31, 2023
Trade payable		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro and small enterprises	113.45	64.37
Payable to related parties - other than micro and small enterprises (refer note 23)	-	5.52
	<u>113.45</u>	<u>69.89</u>

Disclosures of dues to Micro, Small and Medium enterprises

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

The principal amount remaining unpaid	-	-
Interest due thereon remaining unpaid	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)	-	-
The amount of interest accrued during the year and remaining unpaid	-	-
The amount of further interest remaining due and payable for earlier years	-	-

**Trade payables Ageing Schedule
As at 31 March 2024**

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	66.57	14.95	4.67	27.26	113.45
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<u>66.57</u>	<u>14.95</u>	<u>4.67</u>	<u>27.26</u>	<u>113.45</u>

As at 31 March 2023

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	37.96	4.67	-	27.26	69.89
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<u>37.96</u>	<u>4.67</u>	<u>-</u>	<u>27.26</u>	<u>69.89</u>

15 Other current liabilities

Advances received from customer*	396.63	121.35
Statutory dues payable	514.92	2.65
Other payables	-	24.77
	<u>911.54</u>	<u>148.77</u>

*Represents advances received from customers relating to a project under joint development with a fellow subsidiary of the Company.

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	March 31, 2024	March 31, 2023
16 Other income		
Interest on financial assets :		
Loan to related party (refer note 23)	721.41	789.46
Bank deposits	1.61	-
	<u>723.03</u>	<u>789.46</u>
17 (Increase)/ decrease in inventories of work-in-progress		
Inventory at the beginning of the year		
Work-in-progress	17,666.79	15,210.64
Inventory at the end of the year		
Work-in-progress	21,907.31	17,666.79
	<u>(4,240.52)</u>	<u>(2,456.15)</u>
18 Finance costs		
Interest		
- On borrowings	5,183.93	3,311.37
Bank and other charges	52.22	7.92
	<u>5,236.14</u>	<u>3,319.29</u>
	3,958.71	2,328.26
Note: Gross of interest inventorised to qualifying work in progress.		
Note: The rate used to determine the amount of borrowing costs eligible for capitalisation is the effective interest rate of the underlying borrowings which is in the range of 9% to 16%. Also refer note 13.		
19 Other expenses		
Repairs and maintenance	10.03	0.02
Legal and professional*	113.08	111.72
Rates and taxes	22.34	59.50
Printing and stationery	0.43	0.40
Advertising and sales promotion	0.48	0.24
Miscellaneous expenses	0.16	-
	<u>146.52</u>	<u>171.88</u>
* Payment to auditors [included in legal and professional charges]		
Audit fee	20.00	18.50
Reimbursement of expenses	1.00	1.00
	<u>21.00</u>	<u>19.50</u>

Note:

The provisions of the section 135 of the Act in relation to Corporate Social Responsibility is not applicable to the Company.

20 Fair value measurements

The fair value of the financial assets and liabilities is determined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

>The management assessed that the carrying values of cash and cash equivalents, trade receivables, trade payables, and other financial assets and liabilities (as listed below) approximate their fair values largely either due to their short-term maturities.

> The management assessed that the carrying values of borrowings and other financial assets and liabilities approximate their fair values based on cash flow discounting using parameters such as interest rates, tenure of instrument, creditworthiness of the customer and the risk characteristics of the financed project, as applicable.

These financial assets and financial liabilities as summarised below are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs as explained above. There have been no transfers between levels during the year.

Break up of financial assets/liabilities measured at amortised cost:	Notes	March 31, 2024	March 31, 2023
Financial assets :			
Cash and cash equivalents	10	371.53	9.61
Loans	3	-	4,856.85
Other Financial Assets	4	2.36	-
Trade Receivable	9	40.50	-
		414.39	4,866.46
Financial liabilities :			
Non-current borrowings	13(a)	-	23,368.26
Current borrowings	13(b)	23,077.92	-
Trade payable	14	113.45	69.89
		23,191.37	23,438.15

21 Financial risk management

The Company's principal financial liabilities, comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and bank balances and trade receivables that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company's management oversees the management of these risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

a. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions.

The allowance for expected credit loss for current and previous years is Nil.

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and also generating cash flow from operations.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows and maintaining debt financing plans.

The break-up of cash and cash equivalents is as detailed in note 10.

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2024	Repayable on demand	Less than 1 year	1 year to 4 years	4 years and above	Total
Financial liabilities - current					
Borrowings	23,077.92	-	-	-	23,077.92
Trade payables	-	113.45	-	-	113.45
Financial liabilities - Non current					
Borrowings	-	-	-	-	-
TOTAL	23,077.92	113.45	-	-	23,191.37

March 31, 2023	Repayable on demand	Less than 1 year	1 year to 4 years	4 years and above	Total
Financial liabilities - current					
Trade payables	-	69.89	-	-	69.89
Financial liabilities - Non current					
Borrowings*	-	-	-	48,595.83	48,595.83
TOTAL	-	69.89	-	48,595.83	48,665.72

*Gross of interest payable over the estimated tenure of borrowings

c. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real-estate risk.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The entity's exposure to the risk of changes in Interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

The Company is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The Company's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The Company is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

Interest rate sensitivity:

The Company's borrowings are carried at amortised cost and no possible change in interest rates are expected. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Also refer note 13 for details of terms of borrowings.

22 Capital Management

The Company's objectives when managing capital are to maximise returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt comprises current and non-current borrowings less cash and cash equivalents. Total equity comprises equity share capital and other equity.

Particulars	March 31, 2024	March 31, 2023
Non-current borrowings	-	23,368.26
Current borrowings	23,077.92	-
Less: Cash and cash equivalents	(371.53)	(9.61)
Net debt	22,706.39	23,358.65
Total equity	(1,219.25)	(769.27)
Gearing ratio	(18.62)	(30.36)

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

23 Related party transactions

(1) Names of related parties and nature of relationship with the Company

(i) Party where control exists

Puravankara Limited - Holding Company

(ii) Fellow Subsidiaries

Provident Housing Limited
Purva Realities Private Limited

(iii) Key management personnel ('KMP')

Names	Designation
Amanda Joy Puravankara	Director (Until 26.12.2023)
Abhishek Kapoor	Director
Jasbir Ashish Puravankara	Director
Ambikeshwari Ashok Mulay	Company Secretary (Until 01.04.2024)

(2) The transactions with related parties for the year are as follows:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Holding Company	Fellow Subsidiary	Holding Company	Fellow Subsidiary
Loans taken from				
Puravankara Limited	22,478.47	-	10.24	-
Purva Realities Private Limited	-	97.11	-	-
Loans repaid by (including interest)				
Purva Realities Private Limited	-	5,507.74	-	-
Finance cost				
Puravankara Limited	215.31	-	36.14	-
Payment made on behalf of the Company				
Provident Housing Limited	-	9.95	-	5.52
Advances received under Joint development arrangement				
Purva Realities Private Limited	-	275.28	-	121.35
Reimbursement of expenses received				
Puravankara Limited	40.50	-	-	-
Interest on Loan to				
Purva Realities Private Limited	-	721.41	-	789.46
Guarantees given during the year **				
Puravankara Limited	22,500.00	-	-	-

*TDS recovered on interest on loan - Rs.70.52 (March 31, 2023 - Rs.78.53 lakhs)

**The Company has additionally given security by pledge of inventory of Rs.21,907.31 lakhs for the loan taken by the Holding Company during the year ended March 31, 2024.

(3) The related parties balances as at the year-end are as follows:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Holding Company	Fellow Subsidiary	Holding Company	Fellow Subsidiary
Loans taken (including interest)				
Puravankara Limited	22,980.81	-	287.03	-
Purva Realities Private Limited	-	97.11	-	-
Dues from				
Puravankara Limited	40.50	-	-	-
Dues to				
Provident Housing Limited	-	-	-	5.52
Loan given				
Purva Realities Private Limited	-	-	-	4,856.85
Guarantees given to**				
Puravankara Limited	22,500.00	-	-	-

(4) Puravankara Limited ('Holding Company') and Purva Realities Private Limited ('fellow subsidiary') have provided corporate guarantee and mortgaged their inventories towards debentures amounting to Rs.16,500 lakhs issued by the Company during the year ended March 31, 2021 and outstanding as at March 31, 2023. During the year ended March 31, 2024, these debentures are fully redeemed.

Notes:

1. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, other than those disclosed above. The Company has not recorded any provision/ write-off of receivables relating to amounts owed by related parties.

2. In respect of the transactions with the related parties, the Company has complied with the provisions of Section 188 of the Companies Act, 2013 ('the Act'), and the details have been disclosed above, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company.

24 Financial Ratios

a **Ratio** Current ratio
Numerator Current Assets
Denominator Current Liabilities

Ratios/Measures	March 31, 2024	March 31, 2023
Current Assets (A)	22,381.60	17,680.27
Current Liabilities (B)	24,102.91	218.66
Current Ratio (C) = (A) / (B)	0.93	80.86
% of change from previous year	-98.85%	

The ratio has changed primarily due to increase in current liabilities.

b **Ratio** Debt Equity ratio
Numerator Total Debt
Denominator Shareholder's Equity

Ratios/Measures	March 31, 2024	March 31, 2023
Total Debt (A)	23,077.92	23,368.26
Shareholder's Equity (B)	(1,219.25)	(769.27)
Debt Equity ratio (C) = (A) / (B)	(18.93)	(30.38)
% of change from previous year	-37.69%	

The ratio has changed mainly due to increase in losses compared to previous year.

c **Ratio** Debt Service Coverage ratio
Numerator Earnings available for debt service
Denominator Debt service

Ratios/Measures	March 31, 2024	March 31, 2023
Loss before tax (A)	(597.77)	(245.56)
Add: Non cash operating expenses and finance cost		
Finance costs (B)	5,236.14	3,319.29
Earnings available for debt services (C) = (A)+(B)	4,638.37	3,073.73
Finance costs (D)	5,236.14	3,319.29
Repayment of non-current borrowings (E)	16,500.00	-
Debt service (F) = (D) + (E)	21,736.14	3,319.29
Debt service coverage ratio (G) = (C) / (F)	0.21	0.93
% of change from previous year	-76.96%	

The ratio has changed mainly due to repayment of borrowings in the current year.

d **Ratio** Return on equity ratio
Numerator Profit after tax
Denominator Average shareholders' equity

Ratios/Measures	March 31, 2024	March 31, 2023
Loss after tax (A)	(449.98)	(183.75)
Closing Shareholders Equity (B)	(1,219.25)	(769.27)
Average shareholder's equity [(Opening + Closing)/2] (C)	(994.26)	(677.39)
Return on equity ratio (D) = (A) / (C)	0.45	0.27
% of change from previous year	66.84%	

The ratio has changed due to increase in losses compared to previous year.

e **Ratio** Trade payable turnover ratio
Numerator Total purchases
Denominator Average trade payables

Ratios/Measures	March 31, 2024	March 31, 2023
Total purchases (B)	325.18	171.88
Closing trade payables	113.45	69.89
Average Trade Payables [(opening + closing) /2] (A)	91.67	58.33
Trade payables turnover ratio (C) = (A) / (B)	3.55	2.95
% of change from previous year	20.37%	

Ratios/Measures	Return on capital employed	
	March 31, 2024	March 31, 2023
Loss after tax (A)	(449.98)	(183.75)
Adjustments:-		
Add: Tax expenses /(credit) (B)	(147.79)	(61.81)
Add: Finance cost (C) (net of amount inventorised)	1,277.43	991.03
Earnings before interest and tax (D) = (A) + (B) + (C)	679.66	745.47
Total Equity (E)	(1,219.25)	(769.27)
Total borrowings (F)	23,077.92	23,368.26
Capital Employed (G) = (E) + (F)	21,858.67	22,598.99
Return on capital employed (G) = (D) / (G)	0.03	0.03
% of change from previous year	-5.74%	

Notes :

Inventory turnover ratio, Net capital turnover ratio ,Trade receivable turnover ratio, Net profit ratio and Return on investment are not applicable to the Company.

25 Other Statutory Information

- (i) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) The Company does not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Cryptocurrency transactions or Virtual Currency during the financial year.
- (v) 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 persons or entities, 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.
- (vi) No funds have been received by the Company from any persons or entities, 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.
- (vii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any other government authority.

26 Commitments and contingencies

a. Commitments

(i) As at March 31, 2024, the Company did not have any contracts remaining to be executed on capital account that were not provided for (March 31, 2023- Nil).

b. Contingent liabilities

Contingent liabilities towards pending litigations related to disputed tax dues

March 31, 2024	March 31, 2023
Nil	Nil

27 The Company's business activities fall within a single reportable segment, i.e. real estate development. Hence, there are no additional disclosures to be provided under Ind-AS 108 - Segment information with respect to the single reportable segment, other than those already provided in the financial statements.

The Company is domiciled in India and all the non-current assets of the Company are located in India.

March 31, 2024	March 31, 2023
Nil	Nil

28 Unhedged foreign currency exposure

29 The Company has defined process to take daily back-up of books of account in electronic mode on servers physically located in India.

Further, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except that audit trail feature is not enabled for certain changes made, if any, using privileged/administrative access rights to the SAP S/4 HANA application and the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of accounting software.

The management is taking steps to ensure that the books of accounts are maintained as required under the applicable statute.

Melmont Construction Private Limited
CIN: U74210KA2004PTC034801
Notes to Financial Statements for the year ended March 31, 2024
(All amounts in Indian Rs. Lakhs, unless otherwise stated)

30 There are no standards that are notified and not yet effective as on the date.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
Melmont Construction Private Limited
CIN: U74210KA2004PTC034801

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Jasbir Ashish Puravankara
Director
DIN 01918184

Abhishek Kapoor
Director
DIN 03456820

Place: Bengaluru
May 20, 2024

Place: Bengaluru
May 20, 2024