

INDEPENDENT AUDITOR'S REPORT

**To the Members of CBD Tower Private Limited
Report on the Financial Statements**

Opinion

We have audited the accompanying financial statements of CBD Tower Private Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 2022 , Its Profit/ Loss including Other Comprehensive Income and its Cash flows, and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears, to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position , Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 , as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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 and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013.

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 appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 on its financial position.

ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

- a. Management has represented to us 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 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;
- b. Management has represented to us 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(ies), 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.
- c. Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

For Paresh Rakesh & Associates LLP
Chartered Accountants
FRN: 119728W/W100743

Rakesh Chaturvedi
Partner
M. no: 102075
UDIN: 22102075AIVRMM7345

Date: 06/05/2022
Place: Mumbai

CBD Tower Private Limited

“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.

1. Since, the Company Does not have any Fixed Assets, the clause (i)(a) to (i)(d) of the Order is not applicable to the Company.

e). According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2. Since, the Company Does not have any Inventory, the clause (ii) of paragraph 3 of the Order is not applicable to the Company.

3. Since, the Company has not granted any Loans to parties covered in in the register maintained under Section 189 of the Companies Act, 2013 , the clause (iii) of paragraph 3 of the Order is not applicable to the Company.

4. Since, the Company has not granted any Loans, made Investments or provided guarantees , the clause (iv) of paragraph 3 of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

6. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.

7(a). According to the records examined by us, the Company has regularly deposited, undisputed statutory dues including Direct Taxes, Indirect Taxes and any other statutory dues with appropriate authorities and there were no outstanding dues as at 31st March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Direct or Indirect Taxes on account of any dispute, which have not been deposited.

8. According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

9. a. In our opinion and according to the information and explanations given to us, the Company has not borrowed funds from financial institution or bank or debenture holders, hence clause (viii) of the Order is not applicable to the Company.

b. In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, *prima facie*, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

10. a. The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.

b. Company has not made any preferential allotment of shares or fully or partly or optionally convertible debentures during the year.

11. a. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

b. According to the information and explanations given to us, No report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report

c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year

12. In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

13. In our opinion and according to the information and explanations given to us, in respect of transactions with related parties :

a) Company is in compliance with the section 177 of the Act.

b) Company is in compliance with the section 188 of the Act and details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

14. Since the Company is a Private Limited Company and the turnover of the Company is less than 200 crores nor does it have outstanding loans or borrowings from banks or public financial institutions exceeding Rs.100 crore or more at any point of time during the preceding financial year, appointment of Internal Auditor is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act.

16. a. In our opinion and according to the information and explanations given to us, The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b. In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

c. In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d. In our opinion, and according to the information and explanations provided to us, there is only one Reserve Bank of India registered CIC which may be deemed to be part of Group. However, the said CIC is under corporate Insolvency resolution process with its Board being superseded by an RBI nominated Administrator.

17. In our opinion, and according to the information and explanations provided to us, Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.

19. 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 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.

20. Section 135 with respect to CSR contribution is not applicable to the Company.

21. According to information and explanations given to us, Company is not required to prepare the consolidated financial statement under sub section 3 of section 129 of the Act. Therefore, provisions of clause (xxi) of Paragraph 3 of the Order are not applicable to the Company.

For Paresh Rakesh & Associates

Chartered Accountants

FRN: 119728W

Rakesh Chaturvedi

Partner

M. no: 102075

UDIN: 22102075AIVRMM7345

Date: 06/05/2022

Place: Mumbai

“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.

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 Control over financial reporting of CBD Tower Private Limited (“the company”) as of 31st March 2022, in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the 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 Act.

Auditor’s 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 Act, 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 ICAI. 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, considering nature of business, size of operations and organizational structure of the entity, 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 2022 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 ICAI.

For Paresh Rakesh & Associates

Chartered Accountants

FRN: 119728W

Rakesh Chaturvedi

Partner

M. no: 102075

UDIN: 22102075AIVRMM7345

Date: 06/05/2022

Place: Mumbai

CBD Tower Private Limited

Audited Financial Statements

Year Ended March 31, 2022

CBD Tower Private Limited

Balance sheet as at March 31, 2022

Rupees in Lacs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non Current Assets			
Capital work-in-progress	2.1	58,321.09	58,320.60
Current Assets			
Financial Assets			
Cash and cash equivalents	2.2	0.20	0.55
Other financial assets	2.3	8,290.00	8,290.00
Total Assets		66,611.29	66,611.15
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	2.4	19,043.85	19,043.85
Other Equity	2.5	(388.37)	(388.37)
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowings	2.6	15,905.18	15,905.18
Current Liabilities			
Financial Liabilities			
Borrowings	2.7	15.84	15.84
Other Financial Liabilities	2.8	32,034.79	32,034.65
Total Equity and Liabilities		66,611.29	66,611.15

The accompanying notes form an integral part of financial statements. (1.1 to 2.18)

As per our attached report of even date

For Paresh Rakesh & Associates
Chartered Accountants
Firm Registration No.: 119728W

For and on behalf of the Board of Directors

Rakesh Chaturvedi
Partner
Membership No.: 102075

Venkata Rachakonda
Director
DIN : 07014032

Trina Das
Director
DIN : 08236805

Place: Mumbai
Date: May 06, 2022

Place: Mumbai
Date: May 06, 2022

CBD Tower Private Limited

Statement of Profit and Loss for the year ended March 31, 2022

Rupees in Lacs

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
(I) Revenue from Operations			-
(II) Other Income			-
(III) Total Income (I+II)			-
(IV) Expenses			-
(V) Profit / (Loss) before tax (III-IV)			-
(VI) Tax Expenses			
Income tax			-
Current Tax			-
Deferred Tax Liabilities / (Assets) (Net)			-
(VII) Profit / (Loss) after tax (V-VI)			-
(VIII) Other Comprehensive Income			-
Total Comprehensive Income / (Loss) (VII+VIII)			-
Earnings per equity share: (face value per share Rs. 10 each)			
(1) Basic	2.15		
(2) Diluted			

The accompanying notes form an integral part of financial statements. (1.1 to 2.18)

As per our attached report of even date

For Paresh Rakesh & Associates
Chartered Accountants
Firm Registration No.: 119728W

For and on behalf of the Board of Directors

Rakesh Chaturvedi
Partner
Membership No.: 102075

Venkata Rachakonda
Director
DIN : 07014032

Trina Das
Director
DIN : 08236805

Place: Mumbai
Date: May 06, 2022

Place : Mumbai
Date: May 06, 2022

Statement of Cash Flows for the year ended March 31, 2022

Rupees in Lacs

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A	Cash Flow from Operating Activities		
	Profit/(Loss) before tax	-	-
	Cash generated from Operations before Working Capital Changes	-	-
	Adjustments for :		
	Increase / (Decrease) in financial liabilities and other liabilities	-	-
	(Increase) / Decrease in financial assets and other assets	-	-
	Net Cash generated from / (used in) Operating Activities	-	-
B	Cash Flow from Investing Activities		
	Capital Work-in-Progress	(0.35)	(0.92)
	Net Cash Flow used in Investing Activities	(0.35)	(0.92)
C	Cash Flow from Financing Activities		
	Proceeds from Short term borrowings	-	1.15
	Net Cash generated from Financing Activities		1.15
	Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(0.35)	0.22
	Cash and Cash equivalents at the beginning of the year	0.55	0.33
	Cash and Cash equivalents at the end of the year - Balance in Current account with Bank	0.20	0.55
	Net Increase in Cash and Cash equivalents as disclosed above	(0.35)	0.22

The above statement of Cash Flows should be read in conjunction with the accompanying notes (1.1 to 2.18)

As per our attached report of even date

For Paresh Rakesh & Associates
Chartered Accountants
Firm Registration No.: 119728W

For and on behalf of the Board of Directors

Rakesh Chaturvedi
Partner
Membership No.: 102075

Venkata Rachakonda
Director
DIN : 07014032

Trina Das
Director
DIN : 08236805

Place: Mumbai
Date: May 06, 2022

Place : Mumbai
Date: May 06, 2022

CBD Tower Private Limited

Statement of Changes in Equity for the year ended March 31, 2022

Rupees in Lacs

Equity share Capital	Balance at the beginning of the period/year	Changes in equity share capital during the period/year	Balance at the end of the period/year
For the year ended March 31, 2021	19,043.85	-	19,043.85
For the year ended March 31, 2022	19,043.85	-	19,043.85

Other Equity	Retained Earnings	Total
As at April 01, 2020	(388.37)	(388.37)
Profit / Loss for the year	-	-
Other comprehensive income for the year	-	-
Total Comprehensive Income/(Loss) for the year	-	-
Balance as at March 31, 2021	(388.37)	(388.37)
As at April 01, 2021	(388.37)	(388.37)
Profit / Loss for the year	-	-
Other comprehensive income for the year	-	-
Total Comprehensive Income/(Loss) for the year	-	-
Balance as at March 31, 2022	(388.37)	(388.37)

As per our attached report of even date

For Paresh Rakesh & Associates
Chartered Accountants
Firm Registration No.: 119728W

For and on behalf of the Board of Directors

Rakesh Chaturvedi
Partner
Membership No.: 102075

Venkata Rachakonda
Director
DIN : 07014032

Trina Das
Director
DIN : 08236805

Place: Mumbai
Date: May 06, 2022

Place : Mumbai
Date: May 06, 2022

CBD Tower Private Limited

Notes to the Financial Statements as of and for the year ended March 31, 2022

1.1 Corporate Information

The Company is a private limited company incorporated and domiciled in India. The registered office of the Company is located at 6-3-1090/A, Raj Bhavan Road, Camus Capri Apartments, Hyderabad-500 082, Telangana.

Pursuant to the competitive bidding process done by Telangana State Industrial Infrastructure Corporation (TSIIC), erstwhile Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for selection of bidder for the development of trade tower and business district, Reliance Infrastructure Limited ("the Parent Company") had been selected as developer. The project envisages development of the land in two modules. The first module involves development of trade tower on 30 acres of the land and the second module involves development of business district on the remaining 50.27 acres of the land. For the purpose of the development of the project, the Company has been incorporated as a special purpose vehicle (SPV). Consequently, the Company and TSIIC had signed a Development Agreement dated May 28, 2008 for the same. After development of the project, the Company intends to lease out the developed property to the interested users. Also Refer Note 1.3 below.

These financial statements of the Company for the year ended March 31, 2022 were authorised for issue by the board of directors on May 06, 2022. Pursuant to the provisions of section 130 of the Act the Central Government, income tax authorities and other statutory regulatory body and section 131 of the Act the board of directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

1.2 Basis of Preparation, Measurement and Significant Accounting Policies

(i) Compliance with Indian Accounting Standard (IndAS)

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The policies set out below have been consistently applied during the Year presented.

(ii) Basis of Preparation

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

These financial statements are presented in 'Indian Rupees', which is also the Company's functional currency and all amounts, are rounded to the nearest Lacs, with two decimals, unless otherwise stated.

(iii) Financial statements have been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards), Rules, 2015 issued by the Central Government.

The financial statements have been prepared on a historical cost convention on accrual basis.

(iv) Property, plant and equipment

Under the previous GAAP (Indian GAAP), tangible assets were carried at historical cost less accumulated depreciation (excluding revalued assets). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting Year in which they are incurred.

(v) Capital Work in Progress

All project related expenditure viz. civil works, machinery under erection, construction and erection materials, preoperative has expenditure incidental / attributable to the construction of projects, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under CWIP and Intangible Assets under Development. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

(vi) Revenue Recognition

Revenue is recognized when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Company.

(vii) Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. The estimates, judgments and assumptions affect the application of accounting policies and reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, at the date of financial statements and reported amounts of revenues and expenses during the Year. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the Year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(viii) Income Tax

The income tax expense or credit for the Year is the tax payable on the current Year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting Year in the country where the company and its subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transition that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Income tax expense for the Year comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

(ix) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(x) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financial activities of the Company are segregated based on the available information.

(xi) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(xii) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(xiii) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

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 its existence in the notes to financial statements. A Contingent asset is neither disclosed nor recognized in financial statements.

(xiv) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the group.

(xv) Financial Instruments:

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values on initial recognition, except for trade receivables which are initially measured at transaction price.

i) Financial Assets

Classification

The Company shall classify financial assets measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised costs.

Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:

- (a) Financial assets at fair value or (b) Financial assets at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Where assets are measured at fair value, gains or loss are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

All other financial assets is measured at fair value through profit or loss.

Impairment of Financial Assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of Financial Assets

A financial asset is derecognised only when:

- Right to receive cash flow from assets have expired or
- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised at fair value. The Company financial liabilities includes Trade and other Payables, loans and borrowings.

Subsequent Measurement

Financial liabilities at amortized cost: After initial measurement, such financial liabilities 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 costs in the Statement of Profit and Loss.

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(ii) Trade and Other Payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition of Financial Liabilities

A Financial Liabilities is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from same lender on substantially different terms, or 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 recognised in the statement of profit and loss.

(xvi) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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Notes to the Financial Statements as of and for the year ended March 31, 2022

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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for recurring and non- recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Disclosures for valuation methods, significant estimates and assumptions of financial instruments (including those carried at amortised cost) (Note No 2.11) and Quantitative disclosures of fair value measurement hierarchy (Note No 2.12).

(xvii) Earnings per Share

(i) Basic Earnings per Share (BEPS)

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.

(ii) Diluted Earnings per Share (DEPS)

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.

(iii) Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.3 Project Restructuring Plan

The Company had decided to restructure the project to mitigate the project risk arising due to reasons attributable to the economic slowdown, recession and uncertainty in the real estate market. The Company had prepared a Restructuring Plan to align the project with the changes in the real estate market conditions with the assistance from consultants which had been approved by the Board of Directors on October 28, 2009. The restructuring is undertaken in the following categories

- Financial Restructuring
- Restructuring of project development framework
- Restructuring of project implementation

The Restructuring plan was submitted to TSIC for its approval on October 28, 2009. TSIC approved the terms of the restructuring proposal vide its letter dated December 21, 2009 and July 24, 2010 ("Approval Letters"). Some of the key terms approved by TSIC include the following:

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Notes to the Financial Statements as of and for the year ended March 31, 2022

- (a) Waiver of development premium payable @ 12% p.a. as per the terms of Development Agreement upto March 31, 2012.
- (b) Interest coupon rate on debentures will be @ 2% p.a. for the period April 1, 2010 to March 31, 2014.
- (c) The Interest on debentures from the date of issue to March 31, 2010 is due to be paid by March 31, 2014.
- (d) Default penal charges amounting to Rs. 182.50 Lacs is payable by the Company as per the terms of development agreement.
- (e) Allowing balance Land payment to be made in installments by March 31, 2014

The financial obligation for payment of installments towards land and debentures interest, would be payable on execution of amended agreement.

In continuation of the approvals accorded by TSIIC Board on December 21, 2009 and July 24, 2010 to the restructuring proposal for the project, the TSIIC Board also approved further additions to restructuring proposal on May 7, 2011 which inter alia provided for:

- a) Treating date of signing amended agreement as effective date
- b) Mechanism for transfer of land for constructing trade tower
- c) Permitting construction of business district prior to construction of trade tower
- d) Permitting consortium to dilute its equity from 51% to 26% three years after the financial closure of trade tower.

APIIC Board also recommended appointment of an independent third party consultant to comment on the approved restructuring proposal and send its report along with approved restructuring proposal to State Government.

The independent consultant appointment was inordinately delayed by TSIIC, therefore, the company vide letter dated January 15, 2013, February 28, 2013 and May 16, 2013 put up supplementary demands to TSIIC and requested for continuing the waivers / concessions until signing of amendment agreements and extension of timelines, corresponding to delay period, for all payment and project obligations.

TSIIC appointed Ernst & Young LLP (E&Y) as third party consultant in August 2013 and advised E&Y to include our supplementary demands while giving their recommendations. E&Y since submitted their report and recommended in favour of restructuring including supplementary demands. The E&Y recommendations were placed in TSIIC Board on December 20, 2013. TSIIC Board, after discussion, created a sub-committee of directors to take a final decision on the recommendations of E&Y report. The sub-committee approved the E&Y recommendations which were then placed before TSIIC Board on May 02, 2014 for their approval. The company has been intimated by TSIIC, vide letter dated May 06, 2014, that their Board has agreed with the findings of the sub-committee and E&Y recommendations supporting restructuring.

After the bifurcation of state and creation of Telangana State, the project came under Telangana State Industrial Infrastructure Corporation (TSIIC) in Telangana State jurisdiction. The Government of Telegana (GoT) then constituted a Committee of Secretaries (CoS) through G.O. Rt. No. 322 dated October 15, 2015 headed by Chief Secretary (GoT), empowering it to take final decision on the recommendations of TSIIC Board read with E&Y report. Committee of Secretaries (CoS) asked the Company and E&Y to explain and make a presentation on Restructuring of project.

Post the presentation made on November 13, 2015 by the Company and E&Y to CoS, Chief Secretary asked the Company to formally put up a letter summarizing all the demands with reasons and the same was submitted to CoS on November 20, 2015. CoS then asked TSIIC to furnish self contained note flagging all the pending issues to be decided by CoS which was accordingly submitted by them. TSIIC again sent a detailed self explanatory note with recommendations to GoT for decision.

Thereafter the company had a meeting with Minister (MA&UD & IT & Industries) along with his senior officials in July 2016 wherein he assured a favorable communication shortly. Due to delay in communication, in December 2016 the Company again had a meeting with Principal Secretary (I&C) with a request to expedite the approval of Restructuring, which has been duly appreciated by the Minister and CoS. Immediate communication was assured. Further the Company vide letter dated December 28, 2017, has submitted the Revised Restructuring Proposal to TSIIC, to ensure that the viability of the project is maintained.

TSIIC vide letter dated June 21, 2018 asked the Company to submit the fresh proposal/commitment taking the zero date for the project as January 01, 2019. Therefore Company has resubmitted the Proposal dated July 09, 2018 considering the effective date to be later of January 01, 2019 or the date on which both party execute the Proposal. Further, the Company, on advise of TSIIC, revised few of the terms of the proposal and re submitted the proposal on December 12, 2018.

Thereafter multiple meetings took place between TSIIC, Telangana Government and the Company, based on which broad framework on the revised Proposal to be approved by TSIIC / Telangana Government was arrived at. The key highlight of the Framework, among other points, was ;

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Notes to the Financial Statements as of and for the year ended March 31, 2022

1. Raising TSIIC equity in SPV from 11% to 26% in lieu of waivers of all accumulated interest, development premium, debenture coupons and penal interest
2. No change from the conditions related to development of Trade Tower and Business District as provided in the Development Agreement
3. The Company was advised in January 2020 to re submit its detailed Proposal in line with above discussed framework, which shall then be examined for approval by TSIIC and Government of Telangana.

The Company submitted the Revised Proposal, in line with the above discussed framework, on February 14, 2020 and subsequent explanation and clarification on its submitted Proposal on March 03, 2020. This was followed further by online meeting between TSIIC, E&Y, Government of Telangana representatives and Company representatives on May 18, 2020 to discuss the Proposal. On advise of TSIIC, the Company further submitted letter dated June 18, 2021 clarifying its position on various points raised by E&Y/ TSIIC. This was followed by another letter dated January 27, 2022 summarising its proposal based on all the interactions on the subject so far.

TSIIC, has sent its / E&Y consolidated recommendations on all the key issues in the Company's Revised Proposal dated February 14, 2021 and subsequent clarifications to the Government of Telangana for taking final decision. It now awaits the clearance of Government of Telangana.

In view of above substantive development on the proposal of the Company for restructuring with the Government of Telangana, the Company has not made provision for Development Premium and Interest on Debentures, as per the existing agreements.

2. Notes to Financial Statements

2.1 Capital work in progress (CWIP)

Particulars	Rupees in Lacs	
	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress :		
Land - Module I	19,710.00	19,710.00
Land - Module II	33,027.39	33,027.39
Total (A)	52,737.39	52,737.39
<u>Incidental Expenditure Pending Allocation / Capitalisation</u>		
Registration Charges for Development Agreement	746.95	746.95
Interest on Debentures	4,249.27	4,249.27
Legal and Professional Charges	251.94	251.69
Miscellaneous Expenses	29.74	29.70
Project Development Expenses	300.00	300.00
Director's Sitting Fees	2.10	2.10
Audit Fees	3.71	3.43
Total (B)	5,583.70	5,583.21
Total (A+B)	58,321.09	58,320.60

The total land of 80.27 acres at Hyderabad for the project is divided into two modules – I and II. The total quoted price for the module I (30 acres) is Rs. 19,710 Lacs and the total quoted price for module II (50.27 Acres) is Rs. 33,027.39 Lacs as per the terms of the development agreement dated May 28, 2008 executed between the Company and TSIIC. Against the total quoted price for module I, the Company had issued debentures of Rs. 17,999.88 Lacs for consideration other than cash and paid the balance amount. Against the total quoted price for module II, the Company has paid Rs.10,000 Lacs. The sale deed for the same would be executed on payment of full amount and on complying with the terms and conditions specified in the Development Agreement. Accordingly the same has been disclosed in Capital-work-in-progress.

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Notes to the Financial Statements as of and for the year ended March 31, 2022

CWIP Ageing Schedule : March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.49	15.53	0.96	58,304.11	58,321.09

CWIP Ageing Schedule: March 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.90	15.59	1.59	58,302.52	58,320.60

Current Assets Financial Assets

2.2 Cash and Cash Equivalents

Particulars	Rupees in Lacs	
	As at March 31, 2022	As at March 31, 2021
Balances with banks in - Current Account	0.20	0.55
Total	0.20	0.55

2.3 Other Financial Assets

Particulars	Rupees in Lacs	
	As at March 31, 2022	As at March 31, 2021
Performance Security towards Development Agreement	8,290.00	8,290.00
Total	8,290.00	8,290.00

As per the terms of the Development Agreement (referred in note 1.3 above), 50% of the total payment towards total quoted price of land for module II would be treated as performance security and would be adjusted there from on execution of the sale deed for module II. The Company had paid Rs.10,000 Lacs towards the cost of the land for module II which is 30% of the total cost; accordingly 50% of the same (i.e. Rs. 5,000 Lacs) has been treated as performance security. The same would be transferred as the payment towards the cost of land on execution of the amended agreement.

The performance security of Rs. 3,290 Lacs for Module 1 would be adjusted towards the balance payment of module II as per the payment schedule mentioned in the approval letters and the company would provide bank guarantee of equivalent amount as and when such adjustment is made.

2.4 Share Capital

Authorised

Particulars	Rupees in Lacs	
	As at March 31, 2022	As at March 31, 2021
500,000,000 Equity shares of Rs. 10 each	50,000.00	50,000.00

Issued, Subscribed and fully paid up

Particulars	Rupees in Lacs	
	As at March 31, 2022	As at March 31, 2021
190,438,494 Equity shares of Rs. 10 each	19,043.85	19,043.85

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Notes to the Financial Statements as of and for the year ended March 31, 2022

a) Reconciliation of shares outstanding as at the beginning and at the end of the reporting Year

Particulars	Rupees in Lacs		
	Balance at the beginning of the year	Changes in equity share capital during the Year	Balance at the end of the Year
For the year ended March 31, 2021	19,043.85	-	19,043.85
For the Year ended March 31, 2022	19,043.85	-	19,043.85

b) Shares held by the holding company/ ultimate holding company and/or their associates/ subsidiaries and shareholders holding more than 5% shares in the company

Reliance Infrastructure Limited	Numbers of Shares	Rupees in Lacs	% Held
March 31, 2021	169,490,260	16,949.03	89%
March 31, 2022	169,490,260	16,949.03	89%

Telangana State Industrial Infrastructure Corporation (TSIIC)	Numbers of Shares	Rupees in Lacs	% Held
March 31, 2021	20,948,234	2,094.82	11%
March 31, 2022	20,948,234	2,094.82	11%

c) Terms and Rights attached to Equity Shares

- Shares are issued at par value of Rs. 10 each.
- 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.
- 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.

2.5 Other Equity

Particulars	Rupees in Lacs		
	Balance at the beginning of the year	During the Year	Balance at the end of the Year
Retained Earnings			
For the year ended March 31, 2021	(388.37)	-	(388.37)
For the Year ended March 31, 2022	(388.37)	-	(388.37)

2.6. Financial Liabilities: Non Current - Borrowings

Particulars	Numbers	Rupees in Lacs
Debentures - Fully Convertible Debentures of Rs. 10 each		
March 31, 2021	159,051,766	15,905.18
March 31, 2022	159,051,766	15,905.18

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Notes to the Financial Statements as of and for the year ended March 31, 2022

The Company had entered into a debenture subscription agreement dated May 28, 2008 with Telangana State Industrial Infrastructure Corporation (TSIIC), erstwhile Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for the issue of 12% fully convertible debentures of Rs. 10 each aggregating to Rs.17,999.88 Lacs for consideration other than cash secured against a first charge created on the land till the date of execution of the financing documents and thereafter TSIIC will cede the first charge in favour of the lenders and shall continue to have a second charge till the debentures are fully converted into equity shares of the Company. The debentures shall be convertible into equity shares of the Company to maintain the equity holding of TSIIC of 11% in the Company till the debentures are fully converted into equity shares of the Company. The debentures shall be entitled to a coupon of 12% per annum compounded annually pending the conversion into equity shares. Pursuant to the restructuring of the project (Refer Note 1.3 above), the coupon rate for interest on debentures has been reduced to 2% p.a. for the period April 01, 2010 to March 31, 2014.

As per Ind AS 109, the compound financial instruments i.e. fully convertible debentures has to split between equity and financial liability as per features i.e. timeline, coupon rate, conversion ratio. The Project restructuring proposal of the Company and the signing of amendment agreements should take place, after receipt of final communication from TSIIC. Therefore the Company has in the interim classified the same as financial liability, since there is no definite timeline of conversion of debentures in to equity, presently available and there is a 'contractual obligation' to pay coupon rate as per the agreement up to the time of conversion of these debentures.

Disclosure of change in liabilities arising from financing activities, pursuant to para 44A to 44E of IndAS 7 – Statement of Cash Flow:

Particulars	Rupees in Lacs	
	As at March 31, 2022	As at March 31, 2021
Long Term Borrowings - Debentures		
Opening Balances	15,905.18	15,905.18
Add: Proceeds from borrowings	-	-
Less: Repayment of borrowings	-	-
Add/(Less) Non Cash Items	-	-
Closing Balances	15,905.18	15,905.18

2.7 Borrowings – Current

Rupees in Lacs

Particulars	Rupees in Lacs	
	As at March 31, 2022	As at March 31, 2021
Inter Corporate Deposit (Refer Note 2.11)	15.84	15.84
Total	15.84	15.84

2.8 Other Financial Liabilities – Current

Rupees in Lacs

Particulars	Rupees in Lacs	
	As at March 31, 2022	As at March 31, 2021
Creditors for Capital Expenditure	28,209.89	28,209.89
Interest accrued but not due on Borrowings (Refer Note 1.3)	3,824.35	3,824.35
Other Payable (including Statutory Dues)	0.55	0.41
Total	32,034.79	32,034.65

2.9 Operating Segment

The Company is in the business of designing and development of the real estate / infrastructure projects including in particular trade tower and business district at Hyderabad, hence there are no separate reportable segments as specified in Ind AS 108 on 'Operating Segment' as prescribed under Section 133 of the Act.

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Notes to the Financial Statements as of and for the year ended March 31, 2022

2.10 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2022. This information as required to be disclosed 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.

2.11 Related Party Disclosures

As per Ind AS 24, as prescribed under Section 133 of the Act, the disclosures of transaction with related parties are given below:

- a) Parties where control exists
Reliance Infrastructure Limited (R Infra) – Holding Company
- b) Other related parties with whom transactions have taken place during Year:
Telangana State Industrial Infrastructure Corporation (TSIIC), Investing Company which holds 11% of the voting rights in the Company
- c) Key Management Personnel:
Mr. Manish N. Jain - Manager *
- * There are no transactions during the Year.
- d) Details of transactions during the Year ended and closing balances as at March 31, 2022

Particulars	Rupees in Lacs			
	R Infra		TSIIC	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Transaction during the Year				
Inter Corporate Deposit Received	-	1.15	-	-
Closing Balances				
Investment in Equity Shares	16,949.03	16,949.03	2,094.82	2,094.82
Debentures	-	-	15,905.18	15,905.18
Other Financial Assets (Performance Security)	-	-	8,290.00	8,290.00
Interest accrued but not due on Debentures	-	-	3,824.35	3,824.35
Inter Corporate Deposit	15.84	15.84	-	-
Creditors for Capital Expenditure	-	-	28,209.89	28,209.89

2.12 Fair value measurements

Financial Instruments by category

Particulars	Rupees in Lacs	
	As at March 31, 2022	As at March 31, 2021
Financial Assets		
At amortized cost		
Cash and Cash Equivalents	0.20	0.55
Performance Security	8,290.00	8,290.00

CBD Tower Private Limited

Notes to the Financial Statements as of and for the year ended March 31, 2022

Total Financial Asset	8,290.20	8,290.55
Financial Liabilities		
Debentures	15,905.18	15,905.18
Inter Corporate Deposit	15.84	15.84
Creditors for Capital Expenditure	28,209.89	28,209.89
Interest accrued but not due on Borrowings	3,824.35	3,824.35
Other Payable (including Statutory Dues)	0.55	0.41
Total Financial Liabilities	47,955.81	47,955.67

Fair value of financial assets and liabilities measured at amortised cost.

2.13 Fair Value Hierarchy

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

For the year ended March 31, 2022

Particulars	Rupees in Lacs				
	Carrying amount	Fair Value			
	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial Assets					
At amortized cost					
Cash and Cash Equivalents	0.55	-	-	0.55	0.55
Performance Security	8,290.00	-	-	8,290.00	8,290.00
Total Financial Assets	8,290.55	-	-	8,290.55	8,290.55
Financial Liabilities					
Debentures	15,905.18	-	-	15,905.18	15,905.18
Creditors for Capital Expenditure	28,209.89	-	-	28,209.89	28,209.89
Inter Corporate Deposits	15.84	-	-	15.84	15.84
Interest accrued but not due on Borrowings	3,824.35	-	-	3,824.35	3,824.35
Other Payable (including Statutory Dues)	0.55	-	-	0.55	0.55
Total Financial Liabilities	47,955.81	-	-	47,955.81	47,955.81

For the year ended March 31, 2021

Particulars	Rupees in Lacs				
	Carrying amount	Fair Value			
	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial Assets					
At amortized cost					
Cash and Cash Equivalents	0.55	-	-	0.55	0.55
Performance Security	8,290.00	-	-	8,290.00	8,290.00
Total Financial Assets	8,290.55	-	-	8,290.55	8,290.55
Financial Liabilities					
Debentures	15,905.18	-	-	15,905.18	15,905.18
Creditors for Capital Expenditure	28,209.89	-	-	28,209.89	28,209.89

CBD Tower Private Limited

Notes to the Financial Statements as of and for the year ended March 31, 2022

Inter Corporate Deposits	15.84	-	-	15.84	15.84
Interest accrued but not due on Borrowings	3,824.35	-	-	3,824.35	3,824.35
Other Payable (including Statutory Dues)	0.41	-	-	0.41	0.41
Total Financial Liabilities	47,955.67	-	-	47,955.67	47,955.67

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for borrowings, debentures included in level 3.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

2.14 Financial instruments – Fair values and risk management

(i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company does not have any significant exposure to credit risk.

(ii) Cash and cash equivalents & Other Financial Asset

The Company held cash and cash equivalents & other financial assets with credit worthy banks aggregating Rs. 8,290.55 Lacs and Rs. 8,290.55 Lacs as at March 31, 2022 and March 31, 2021 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

(iii) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to any significant currency risk and equity price risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk

For interest rate profile of the Company's interest-bearing financial instruments. (Refer Note 1.3 and Note 2.6).

(b) Sensitivity analysis

Profit or loss is sensitive to higher/lower interest income from borrowings as a result of changes in interest rates.

(iv) Liquidity Risk

The table below analyses the Company's non-derivative financial liabilities and relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

CBD Tower Private Limited
Notes to the Financial Statements as of and for the year ended March 31, 2022

The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Rupees in Lacs			
	Contractual Cash Flow			
	As at March 31, 2022		As at March 31, 2021	
	1 year or less	Total	1 year or less	Total
Financial Liabilities				
Borrowings *	15,905.18	15,905.18	15,905.18	15,905.18
Inter Corporate Deposits	15.84	15.84	15.84	15.84
Creditors for Capital Expenditure	28,209.89	28,209.89	28,209.89	28,209.89
Interest accrued but not due on Borrowings	3,824.35	3,824.35	3,824.35	3,824.35
Other Payable (including Statutory Dues)	0.55	0.55	0.41	0.41
Total Financial Liabilities	47,955.81	47,955.81	47,955.67	47,955.67

* Borrowings represents Convertible Debentures (Refer Note 2.6), hence there is no liquidity risk on the Company with respect to Borrowings.

2.15 Earnings per share

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit / (Loss) for the year (Rupees in Lacs) (A)	-	-
Weighted average number of equity shares (B)	19,043.85	19,043.85
Add: Adjustment on account of convertible debentures	#	#
Weighted average number of equity shares (C) – Diluted	190,438,494	190,438,494
Earnings per share – Basic and Diluted (Rupees) (A/B)	-	-
Nominal value of an equity share (Rupees)	10	10

Since there is no Profit/(Loss) for the year, hence there is no dilution on account of conversion of Potential equity shares of Convertible Debentures. Hence no adjustment is made for the same.

2.16 Since there is no difference between the tax base and accounts base, hence no deferred tax assets/ (liabilities) has been recognized in the financial statements.

2.17 The Company is in project phase and also submitted proposal for restructuring of the project with the Government of Telangana, final decision awaited. (refer note 1.3). Therefore analytical/operating ratios are not relevant for the company.

2.18 Figures for the previous year have been regrouped, reclassified, rearranged wherever necessary.

As per our attached report of even date
For Paresh Rakesh & Associates
Chartered Accountants
Firm Registration No: 119728W

For and on behalf of the Board of Directors

Rakesh Chaturvedi
Partner
Membership No. 102075

Venkata Rachakonda
Director
DIN : 07014032

Trina Das
Director
DIN : 08236805

Place: Mumbai
Date: May 06, 2022

Place: Mumbai
Date: May 06, 2022