**Independent Auditors' Report**

**To the Members of Propmart Technologies Limited**

**Report on the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of Propmart Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 "the Ind AS financial statements").

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

**Basis for Opinion**

We conducted our audit in accordance with Standards on Auditing (SAs). 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 ethical requirements that are relevant to our audit of the financial statements as per the ICAI's Code of Ethics and the provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

| KEY AUDIT MATTER | RESPONSE TO KEY AUDIT MATTER |
|---|---|
| **Recording of related party transactions and disclosures**<br><br>The Company has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include borrowing and repayment of loans.<br><br>We identified the recording of the said related party transactions and its disclosure as set out in respective notes to the financial statements as a key audit matter due to the significance of transactions with related parties.<br><br>Refer notes to financial statements | As part of our audit procedures, our procedures included the following:<br><br>• Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions.<br><br>• Tested, on a sample basis, related party transactions with the underlying contracts, confirmation letters and other supporting documents.<br><br>• We examined the Company's ability to repay the loan by reviewing Company's future business plan and future cash flows from the operations. |

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's 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.

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

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

**Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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

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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 Act, we give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) the Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) on the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act;
In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the current year, accordingly provisions of Section 197 of the Act is not applicable

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h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position other than mentioned in note 28 in financial statements.

ii. the Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable loss.

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

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), 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) The the management has represented, that, to the best of its 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; and

c) Based on the above explanations and audit procedures which we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (I) and (II) of clause (iv) contain any material mis-statement.

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

vi. The Company has not declared and paid dividend during the year and hence there was no compliance required as per section 123 of the Companies Act, 2013.

For V D S R & Co LLP
Chartered Accountants
FRN No.: 001626S/S200085

Venkatesh Kamath S V
Partner
Membership No 202626

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Place: Bengaluru
Date: 22-05-2023

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**Annexure – A to the Independent Auditors' Report**

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

1.

   a.

      i. The Company does not hold any Property Plant and Equipment during the year and as on the reporting date. Accordingly, paragraph 3(i)(a)(i) of the order is not applicable.

      ii. The Company has maintained proper records showing full particulars of Intangible assets.

   b. The Company does not hold any Property Plant and Equipment during the year and as on the reporting date. Accordingly, paragraph 3(i)(b) of the order is not applicable.

   c. According to the information and explanation given to us and based on our examination of the records of the Company, the Company does not own any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.

   d. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not revalued either its property, plant and equipment or intangible assets or both during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.

   e. According to the information and explanations given to us and based on our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. Accordingly, paragraph 3(i)(e) of the Order is not applicable.

2.

   a. The Company is engaged in business of real estate development and related services. Company holds inventory in the form of land, developed and underdeveloped properties. In our opinion and according to the information and explanations given to us, having regard to the nature of inventories, the procedures and frequency of the physical verification by way of title deeds, site

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visits by the management, certification of work completion, the verification of inventories are reasonable and adequate having regard to size of the company and nature of its business and on material discrepancies were noticed on physical verification.

b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, limited liability partnership or other parties covered in the register required under section 189 of the Act 2013. Accordingly, clauses 3 (iii) of the Order are not applicable.

4. According to information and explanations given to us, the Company has not granted any loans, made any investments, extended any guarantees and provided any security to or on behalf of the parties referred in section 185 and 186 of the Companies Act, 2013.

5. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.

6. According to the information and explanations given to us and based on our examination of the records of the Company, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

7. In respect of Statutory Dues:

a. According to information and explanations given to us and on the basis of our examinations of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including, income-tax, Goods and Service Tax (GST) and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of excise, provident fund, duty of customs, cess, value added tax, sales tax and service tax. There are no undisputed statutory dues outstanding as at March 31 2023 for a period of more than six months from the date they become payable.

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b. According to the information and explanations given to us, and records of the Company examined by us, there are no amounts outstanding in respect of the aforesaid dues on account of any dispute.

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

9. The Company does not have any loan or, other borrowings from any lender. Accordingly, paragraph 3 (ix) of the Order is not applicable

10.

a. In our opinion and according to the information and explanation given by the management, the company has not raised any monies by the way of initial public offer/ further public offer (including debt instruments), being a private limited company.

b. In our opinion and according to the information and explanation given by the management, the Company has not made any preferential allotment or private placement of shares during the year. During the year, Company issued Compulsorily convertible debentures on private placement. In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of private placement of Compulsorily convertible debentures for the purposes for which they were raised.

11. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly, paragraph 3(xi) of the Order is not applicable.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where ever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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14. In our opinion and according to the information and explanations given to us, Internal audit is not applicable as the company

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

17. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred cash losses of Rs. 1,20,64,698 /- in the current financial year and Rs. 2,23,88,231 /- in the immediately preceding financial year.

18. There has not been any resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and as confirmed by the Management to infuse required funds as and when necessitates, we are of the opinion there are no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet.

20. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company. Accordingly, paragraph 3(xx) of the Order is not applicable.

21. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has no subsidiaries or joint ventures which requires the Company to

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prepare the consolidated financial statements and get audited and hence, the Company there are no consolidated financial statements either prepared or audited during the year. Accordingly, paragraph 3(xxi) of the Order is not applicable.

For V D S R & Co LLP
Chartered Accountants
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Venkatesh Kamath S V
Partner
Membership No 202626

Place: Bengaluru
Date: 22-05-2023

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**Annexure – B – to the Auditors' Report**

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

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

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

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

**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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 of the Company.

**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, to the best of our information and according to the explanations given to us, 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 March 31, 2023, based on the internal control over financial reporting criteria established by the

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Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V D S R & Co LLP
Chartered Accountants
FRN No.: 001626S/S200085

Venkatesh Kamath S V
Partner
Membership No 202626

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Place: Bengaluru
Date:22-05-2023

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**PROPMART TECHNOLOGIES LIMITED**
**CIN: U72200KA2000PLC026967**
**Balance Sheet as at March 31, 2023**

| (All amounts in Indian Rs. Thousands, unless otherwise stated) | Note | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | - | - |
| (b) Intangible assets | 4 | 360.29 | - |
| (c)Financial assets | | | |
| (i) Loans | 5 | 273.28 | 423.28 |
| (d) Other non-current assets | 9a | - | - |
| **Total non-current assets** | | **633.57** | **423.28** |
| **Current assets** | | | |
| (a) Inventories | 6 | 52,216.68 | 50,950.53 |
| (b) Financial assets | | | |
| (i) Trade receivables | 7 | 6,022.24 | 950.69 |
| (ii) Cash and cash equivalents | 8 | 59.35 | 652.65 |
| (c) Other current assets | 9b | 3,300.94 | 2,155.75 |
| **Total current assets** | | **61,599.21** | **54,709.63** |
| **Total assets** | | **62,232.78** | **55,132.91** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity share capital | 10 | 71,113.99 | 71,113.99 |
| (b) Other equity | 11 | (50,430.29) | (3,88,340.80) |
| **Total equity** | | **20,683.70** | **(3,17,226.81)** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Provisions | 12 | 5,860.31 | 2,402.25 |
| **Total non-current liabilities** | | **5,860.31** | **2,402.25** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 | 8,453.20 | 2,03,788.20 |
| (ii) Trade payables | 14 | 17,137.35 | 1,098.65 |
| (iii) Other financial liabilities | 15 | - | 1,56,859.05 |
| (b) Other current liabilities | 16 | 10,098.22 | 8,211.58 |
| **Total current liabilities** | | **35,688.77** | **3,69,957.47** |
| **Total equity and liabilities** | | **62,232.78** | **55,132.91** |
| **Summary of significant accounting policies** | 2.2 | | |

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

As per report of even date

*for* V D S R & Co LLP.,
Chartered Accountants
Firm Registration Number: 001626S/S200085

Venkatesh Kamath S V
Partner
Membership No: 202626

VDSR & CO LLP ★ F.R. No. 001626S/ S200085 BANGALORE CHENNAI ★ CHARTERED ACCOUNTANTS

Place: Bengaluru
Date: May 22,2023

for and on behalf of the Board of directors of
Propmart Technologies Limited

Nani R. Choksey

Nani Rusi Choksey
Director
DIN:00504555

Place: Bengaluru
Date: May 22,2023

Ashish Ravi Puravankara
Director
DIN:00504524

Propmart Technologies Ltd. ★ Bangalore ★ Phone: 40445959

**PROPMART TECHNOLOGIES LIMITED**
**CIN: U72200KA2000PLC026967**
**Statement of Profit and Loss for the year ended March 31, 2023**

| (All amounts in Indian Rs. Thousands, unless otherwise stated) | Note | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 17 | 39,667.56 | 31,412.20 |
| Other income | 18 | 65.76 | 368.43 |
| **Total** | | **39,733.32** | **31,780.62** |
| **Expenses** | | | |
| Employee benefits expense | 19 | 37,651.75 | 28,704.62 |
| Finance costs | 20 | 1,166.31 | 17,845.31 |
| Depreciation and amortization expense | 21 | 24.79 | - |
| Other expenses | 22 | 12,979.96 | 7,618.93 |
| **Total expenses** | | **51,822.81** | **54,168.85** |
| **Profit/(loss) before tax** | | **(12,089.49)** | **(22,388.23)** |
| **Tax expense** | | - | - |
| **Total tax expense** | | - | - |
| **Profit/(loss) for the year** | | **(12,089.49)** | **(22,388.23)** |
| **Other comprehensive income ('OCI')** | | - | - |
| **Total other comprehensive income** | | - | - |
| **Total comprehensive income for the year (comprising profit and OCI)** | | **(12,089.49)** | **(22,388.23)** |
| **Earnings per equity share ('EPS')** | | | |
| **(Nominal value per equity share Rs. 10 (March 31, 2022 Rs.10)** | | | |
| Basic (Rs.) | | (1.70) | (3.15) |
| Diluted (Rs.) | | (1.70) | (3.15) |
| **Weighted average number of equity shares used in computation of EPS** | | | |
| Basic - in numbers Thousands | | 7,111.40 | 7,111.40 |
| Diluted - in numbers Thousands | | 7,111.40 | 7,111.40 |
| **Summary of significant accounting policies** | 2.2 | | |

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

As per report of even date

*for* V D S R & Co LLP.,
Chartered Accountants
Firm Registration Number: 001626S/S200085

V D S R & CO LLP
F.R. No. 001626S/ S200085
BANGALORE CHENNAI
CHARTERED ACCOUNTANTS

Venkatesh Kamath S V
Partner
Membership No: 202626

Place: Bengaluru
Date: May 22,2023

for and on behalf of the Board of directors of
Propmart Technologies Limited

Nani R. Choksey

Nani Rusi Choksey
Director
DIN:00504555

Ashish Ravi Puravankara
Director
DIN:00504524

Place: Bengaluru
Date: May 22,2023

Propmart Technologies Ltd.
Phone: 40445959
Bangalore

**PROPMART TECHNOLOGIES LIMITED**
**CIN: U72200KA2000PLC026967**
**Statement of cash flow for the year ended March 31, 2023**

| (All amounts In Indian Rs. Thousands, unless otherwise stated) | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| **Profit/(loss) before tax** | (12,089.49) | (22,388.23) |
| Adjustments to reconcile profit after tax to net cash flows | | |
| Fixed asset written off | - | 51.62 |
| Depriciation and Amortisation expense | 24.79 | - |
| Finance expense net, | 1,166.31 | 17,845.31 |
| **Operating profit before working capital changes** | **(10,898.39)** | **(4,491.31)** |
| Working capital adjustments: | | |
| (Increase)/decrease in inventories of raw materials | (1,266.14) | (1,688.19) |
| (Increase)/decrease in non current assets | - | - |
| (Increase)/decrease in Loans and Advances | 150.00 | (195.00) |
| (Increase)/decrease in Trade receivable | (5,071.54) | 3,638.68 |
| Increase/ (decrease) in Trade payables | 16,038.70 | (1,384.15) |
| Decrease/(increase) in other assets | (1,145.19) | (159.77) |
| Increase/ (decrease) in other liabilities and provisions | 5,344.71 | 21,341.49 |
| **Cash (used in)/ received from operations** | **3,152.15** | **17,061.76** |
| Income tax paid (net) | - | |
| **Net cash flows (used in)/from operating activities** | **3,152.15** | **17,061.76** |
| **B. Cash flows from investing activities** | | |
| Purchase of intangible assets | (385.09) | |
| | **(385.09)** | - |
| **C. Cash flows from financing activities** | | |
| Issue of compulsory convertible debentures | 3,50,000.00 | - |
| (Repayment of Loan) / Loans taken from related party | (3,50,000.00) | (1,385.89) |
| Interest paid (Actual) | (3,360.36) | (17,845.31) |
| **Net cash (used in)/from financing activities** | **(3,360.36)** | **(19,231.20)** |
| **Net (deease)/inease in cash and cash equivalents (A + B + C)** | **(593.30)** | **(2,169.44)** |
| **Cash and cash equivalents at the beginning of the year** | 652.65 | 2,822.08 |
| **Cash and cash equivalents at the end of the year (as per note 8 to the financial statements)** | **59.35** | **652.65** |

Summary of significant accounting policies 2.2

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

As per report of even date

for V D S R & Co LLP.,
Chartered Accountants
Firm Registration Number: 001626S/S200085

V D S R & CO LLP
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BANGALORE
CHENNAI
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Venkatesh Kamath S V
Partner
Membership No: 202626

Place: Bengaluru
Date: May 22,2023

for and on behalf of the Board of directors of
Propmart Technologies Limited

Nani Rusi Choksey
Director
DIN:00504555

Place:Bengaluru
Date: May 22,2023

Ashish Ravi Puravankara
Director
DIN:00504524

Propmart Technologies Ltd.
Phone: 40445959
Bangalore

**PROPMART TECHNOLOGIES LIMITED**
**CIN: U72200KA2000PLC026967**
**Statement of changes in equity for the year ended March 31, 2023**

**(All amounts in Indian Rs. Thousands, unless otherwise stated)**

**A. Equity share capital**

| Particulars | As at 01 April 2021 | Movement during 2021-22 | As at March 31, 2022 | Movement during 2022-23 | As at March 31, 2023 |
|---|---|---|---|---|---|
| Equity share capital of face value of Rs. 10 each fully paid | 71,113.99 | - | 71,113.99 | - | 71,113.99 |
| | **71,113.99** | **-** | **71,113.99** | **-** | **71,113.99** |

**B. Other equity**

| Particulars | Reserves and surplus | | | |
|---|---|---|---|---|
| | Securities premium reserve | Equity component of compulsory convertible debentures | Retained Earnings | Total |
| **Balance as at 1 April 2021** | 3,145.00 | - | (3,69,097.57) | (3,65,952.57) |
| Profit/(loss) for the year | - | - | (22,388.23) | (22,388.23) |
| Other Comprehensive Income | - | - | - | - |
| **Total comprehensive income for the year** | **3,145.00** | **-** | **(3,91,485.80)** | **(3,88,340.80)** |
| Dividends (including tax on dividend) | - | - | - | - |
| Others | - | - | - | - |
| **Balance as at March 31, 2022** | **3,145.00** | **-** | **(3,91,485.80)** | **(3,88,340.80)** |
| Profit/(loss) for the year | - | - | (12,089.49) | (12,089.49) |
| Other Comprehensive Income | - | - | | - |
| **Total comprehensive income for the year** | **3,145.00** | **-** | **(4,03,575.29)** | **(4,00,430.29)** |
| Dividends (including tax on dividend) | - | - | - | - |
| Issued during the year | - | 3,50,000.00 | - | 3,50,000.00 |
| **Balance as at March 31, 2023** | **3,145.00** | **3,50,000.00** | **(4,03,575.29)** | **(50,430.29)** |

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

As per report of even date

*for* V D S R & Co LLP.,
Chartered Accountants
Firm Registration Number: 001626S/S200085

Venkatesh Kamath S V
Partner
Membership No: 202626

Place: Bengaluru
Date: May 22,2023

V D S R & CO LLP
F.R. No. 001626S/ S200085
BANGALORE
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CHARTERED ACCOUNTANTS

for and on behalf of the Board of directors of
Propmart Technologies Limited

Nani Rusi Choksey
Director
DIN:00504555

Place: Bengaluru
Date: May 22,2023

Ashish Ravi Puravankara
Director
DIN:00504524

Propmart Technologies Ltd.
Phone: 40445959
Bangalore

Propmart Technologies Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2023
(All amounts in Rs, unless otherwise stated)

## 1. Corporate information

Propmart Technologies Limited (the 'Company') was incorporated on April 24, 2000 under the provisions of the Companies Act applicable in India. The registered office is located at 130/2, Ulsoor road, Bangalore, Karnataka 560042, India. The Company is engaged in the business of property marketing/agency services and other allied activities and plotted development.

The Ind AS financial statements were authorized for issue in accordance with a resolution of the directors on June 25, 2020.

## 2. Significant accounting policies

### 2.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. The financial statements of the Company are prepared and presented in accordance with Ind AS.

The financial statements have been prepared on the historical cost basis 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 significant 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.

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(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 one year for marketing services/other allied activities and four years for real estate business, and classified current and non-current classification of assets and liabilities.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

(d) Depreciation on property, plant and equipment and investment property.

Depreciation is calculated on straight line method using the following useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013, except certain categories of assets whose life is estimated based on planned usage and technical evaluation thereon:

| Category of Asset | Useful lives (in years) | Useful lives as per Schedule II (in years) |
|---|---|---|
| Furniture and fixtures | 10 | 10 |
| Computer equipment | 3 | 3 |
| Office equipment | 5 | 5 |
| Motor Vehicles | 8 | 8 |

Leasehold improvements are amortized over the remaining period of lease or their estimated useful life, whichever is shorter on straight line basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment and investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

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(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software are amortized on a written down value basis over a period of six years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when asset is derecognized.

(f) Retirement and other employee benefits

Retirement benefits in the form of state governed Employee Provident Fund and Employee State Insurance are defined contribution schemes (collectively the 'Schemes'). The Company has no obligation, other than the contribution payable to the Schemes. The Company recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.
The Company recognised the gratuity provision calculated as per the Provision of Payment of Gratuity Act, 1972 for the employees as at reporting period.
The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the Company's policy for the employees as at the end of each financial year.

(g) 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.

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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.

(h) 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.

(i) 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. 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.

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(j) 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.

(k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company collects taxes such as GST/sales tax/value added tax, service tax, etc. on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

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

*Dividend income*
Dividend income is recognized when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

(l) 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.

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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.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(m) 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.

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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.

(n) 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.

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 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. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

iii. Debt instruments at amortized cost

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.

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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 carried 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.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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.

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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.

(o) 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.

(p) 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.

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**PROPMART TECHNOLOGIES LIMITED**
**Notes to Ind AS Financial Statements for the year ended March 31, 2023**

**(All amounts in Indian Rs. Thousands, unless otherwise stated)**

## 3 Property, plant and equipment

| Particulars | Electrical Fittings | Office equipments | Computer equipment | Furniture and fixtures | Vehicles | Total |
|---|---|---|---|---|---|---|
| **Gross carrying amount at cost** | | | | | | |
| **At April 1, 2021** | 118.03 | 15.82 | 9.59 | 182.20 | 669.84 | 995.49 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| **At March 31, 2022** | **118.03** | **15.82** | **9.59** | **182.20** | **669.84** | **995.49** |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| **At March 31, 2023** | **118.03** | **15.82** | **9.59** | **182.20** | **669.84** | **995.49** |
| **Accumulated depreciation** | | | | | | |
| **At April 1, 2021** | 112.20 | 15.82 | 9.59 | 178.18 | 628.07 | 943.87 |
| Charge for the year | - | - | | - | - | - |
| Adjustments for disposals | 5.83 | - | - | 4.02 | 41.77 | 51.62 |
| **At March 31, 2022** | **118.03** | **15.82** | **9.59** | **182.20** | **669.84** | **995.49** |
| Charge for the year | - | - | | - | - | - |
| Other adjustments | - | - | - | - | - | - |
| **At March 31, 2023** | **118.03** | **15.82** | **9.59** | **182.20** | **669.84** | **995.49** |
| **Net block** | | | | | | |
| **At March 31, 2022** | **(0.00)** | **-** | **-** | **0.00** | **(0.00)** | **0.00** |
| **At March 31, 2023** | **-** | **-** | **-** | **-** | **-** | **-** |

**Notes:**

**a. Capitalized borrowing cost**

There are no borrowing costs capitalized during the year ended March 31, 2023 and March 31, 2022.

**b. Property, plant and equipment pledged as security**

No assets pledged in the current year

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Notes to Ind AS Financial Statements for the year ended March 31, 2023

(All amounts in Indian Rs. Thousands, unless otherwise stated)

## 4 Intangible assets

| Particulars | Computer software | Total |
|---|---|---|
| **Gross carrying amount at cost** | | |
| **At April 1, 2021** | - | - |
| Additions | - | |
| Disposals | - | - |
| **At March 31, 2022** | - | - |
| Additions | 385.09 | 385.09 |
| Disposals | - | - |
| **At March 31, 2023** | **385.09** | **385.09** |
| **Accumulated amortization** | | |
| **At April 1, 2021** | - | - |
| Charge for the year | - | - |
| Disposals | - | - |
| **At March 31, 2022** | - | - |
| Charge for the year | 24.79 | 24.79 |
| Disposals | - | - |
| **At March 31, 2023** | **24.79** | **24.79** |
| **Net block** | | |
| **At March 31, 2022** | - | - |
| **At March 31, 2023** | **360.29** | **360.29** |

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**(All amounts in Indian Rs. Thousands, unless otherwise stated)**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **5 Loans** | | |
| **Non current** | | |
| **Unsecured, considered good** | | |
| Security deposits | 273.28 | 423.28 |
| | 273.28 | 423.28 |
| **6 Inventory** | | |
| Properties held for development | 52,216.68 | 50,950.53 |
| | 52,216.68 | 50,950.53 |
| **7 Trade receivables** | | |
| **Unsecured, considered Doubtful** | | |
| Outstanding for a period more than 6 months | 13,258.97 | 13,258.97 |
| Less: Trade receivables - credit impaired | (13,258.97) | (13,258.97) |
| | - | - |
| **Unsecured, considered good** | | |
| Outstanding for a period more than 6 months | 2,955.01 | - |
| Other dues | 3,067.23 | 950.69 |
| | 6,022.24 | 950.69 |
| | 6,022.24 | 950.69 |

**Trade receivables Ageing Schedule**

| As at 31 March 2023 | Curent but not due | Outstanding for following periods from due date of payment: Less than 6 Months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed Trade Receivables considered good | - | 3,067.23 | 2,816.50 | 138.51 | - | - | 6,022.24 |
| Undisputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed Trade receivable credit impaired | - | - | - | 300.36 | 374.67 | 12,583.94 | 13,258.97 |
| Disputed Trade receivables considered good | - | - | - | - | - | - | - |
| Disputed Trade receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed Trade receivables credit impaired | - | - | - | - | - | - | - |
| **Total** | - | 3,067.23 | 2,816.50 | 438.87 | 374.67 | 12,583.94 | 19,281.21 |

**Trade receivables Ageing Schedule**

| As at 31 March 2022 | Curent but not due | Outstanding for following periods from due date of payment: Less than 6 Months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed Trade Receivables considered good | - | - | - | 950.70 | - | - | 950.70 |
| Undisputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed Trade receivable credit impaired | - | - | - | 675.03 | - | 12,583.94 | 13,258.97 |
| Disputed Trade receivables considered good | - | - | - | - | - | - | - |
| Disputed Trade receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed Trade receivables credit impaired | - | - | - | - | - | - | - |
| **Total** | - | 0.00 | 0.00 | 1,625.73 | - | 12,583.94 | 14,209.67 |

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **8 Cash and cash equivalents** | | |
| Cash on hand | - | - |
| Balances with banks | | |
| In current accounts | 59.35 | 652.65 |
| | 59.35 | 652.65 |
| **9 Other assets** | | |
| **a Non-current** | | |
| **Unsecured, considered Doubtful** | | |
| Other advances | 4,577.82 | 4,577.82 |
| Less: Allowance for credit loss | (4,577.82) | (4,577.82) |
| | - | - |
| **b Current** | | |
| Duties and taxes recoverable | 1,900.71 | 655.84 |
| Prepaid expenses | 477.56 | 916.49 |
| Other advances | 922.66 | 583.42 |
| | 3,300.94 | 2,155.75 |

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**(All amounts in Indian Rs. Thousands, unless otherwise stated)**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **10 Equity share capital** | | |
| **Authorized shares** | | |
| 1,10,00,000 (31 March 2022- 1,10,00,000) equity shares of ₹, 10 each | 1,10,000.00 | 1,10,000 |
| **Issued, subsibed and fully paid-up shares** | | |
| 71,11,399 (31 March 2022- 71,11,399) equity shares of ₹,10 each | 71,113.99 | 71,113.99 |

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

**Equity shares**

| | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Number | Rs. | Number | Rs. |
| Balance at the beginning of the year | 7,111.399 | 71,113.990 | 7,111.399 | 71,113.990 |
| Issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | **7,111.399** | **71,113.990** | **7,111.399** | **71,113.990** |

**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, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Number | % holding in the class | Number | % holding in the class |
| **Equity shares of Rs. 10 each fully paid-up** | | | | |
| Ravi Puravankara | - | 0.00% | - | 0.00% |
| Puravankara Limited (Formerly Puravankara Projects Limited) | 6,206.01 | 87.27% | 6,096.01 | 85.72% |
| Jasbir Puravankara | - | 0.00% | - | 0.00% |

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. Details of shares held by promoters**

**Equity Shares**

**As at 31 March 2023**

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---|---|---|---|---|---|
| Puravankara Limited (Formerly Puravankara Projects Limited) | 6,096.01 | 110.00 | 6,206.01 | 87.27% | 1.55% |

**As at 31 March 2022**

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---|---|---|---|---|---|
| Puravankara Limited (Formerly Puravankara Projects Limited) | 2,335.00 | 3,761.01 | 6,096.01 | 85.72% | - |

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**(All amounts in Rupees)**

**11 Other equity**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Reserves and surplus** | | |
| **Securities premium** | | |
| Balance at the beginning of the year | 3,145.00 | 3,145.00 |
| Less: Adjustment made during the year | - | - |
| **Balance at the end of the year** | 3,145.00 | 3,145.00 |
| **Retained earnings** | | |
| Balance at the beginning of the year | (3,91,485.80) | (3,69,097.57) |
| Total comprehensive income for the year | (12,089.49) | (22,388.23) |
| **Balance at the end of the year** | (4,03,575.29) | (3,91,485.80) |
| **Equity component of compulsory convertible debentures** | | |
| Balance at the beginning of the year | - | - |
| Issue of compulsorily convertible debentures | 3,50,000.00 | - |
| **Balance at the end of the year** | 3,50,000.00 | - |
| **Total other equity** | **(50,430.29)** | **(3,88,340.80)** |

**Note on equity component of compulsory convertible debentures**

During the year, the Company had issued 350 0.001% Unlisted Compulsorily Convertible Debentures (CCDs) of Rs. 10,00,000 each at par aggregating to Rs. 3500 lakhs to its existing shareholders on a private placement basis. As per the terms, the CCDs shall be compulsorily convertible into Equity Shares on the date of expiry of ten years from the date of allotment of the CCDs. The CCDs shall carry a coupon rate of 0.001% per annum, payable at maturity, up to the date of conversion into Equity Shares of the Company and the CCDs shall be unsecured. The terms of the CCDs meet the criteria for accounting as Equity as these instruments are convertible into a fixed number of equity shares within the term stipulated in the contract at the option of the holder. The amount is fixed upfront and conversion will be into a fixed number of shares.

**12 Provisions**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Non-current** | | |
| Provision for employee benefits | | |
| Gratuity | 4,913.44 | 1,760.02 |
| Leave benefits | 946.87 | 642.23 |
| | **5,860.31** | **2,402.25** |
| | **5,860.31** | **2,402.25** |

**13 Borrowings**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Current borrowings** | | |
| **Unsecured** | | |
| Loans repayable on demand | | |
| Loans from related parties | 5,000.00 | 2,00,335.00 |
| Loans from Others | 3,453.20 | 3,453.20 |
| | **8,453.20** | **2,03,788.20** |

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**(All amounts In Indian Rs. Thousands, unless otherwise stated)**

**14 Trade payables**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Trade payable | | |
| - Total outstanding dues of micro enterprises and small enterprises | - | - |
| - Total outstanding dues of creditors other than micro and small enterprises | 17,137.35 | 1,098.65 |
| | 17,137.35 | 1,098.65 |

**Disclosures of dues to Mio, Small and Medium enterprises**
The information as required under the Mio, 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.

| | | |
|---|---|---|
| i. The principal amount remaining unpaid | - | - |
| ii. Interest due thereon remaining unpaid | - | - |
| iii The amount of interest paid by the buyer in terms of section 16 of the Mio, 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. | - | - |
| iv 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). | - | - |
| v The amount of interest acued during the year and remaining unpaid. | - | - |
| v The amount of further interest remaining due and payable for earlier years | - | - |
| | - | - |

**Trade payables Ageing Schedule**

| As at 31 March 2023 | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | | | | | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 6,063.41 | 10,261.23 | - | 812.71 | **17,137.35** |
| Disputed dues of micro enterprises and small enterprises | | | | | - |
| Disputed dues of creditors other than mico enterprises and small enterprises | | | | | - |
| Total | **6,063.41** | **10,261.23** | - | 812.71 | **17,137.35** |

| As at 31 March 2022 | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | | | | | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 206.32 | 79.62 | - | 812.71 | **1,098.65** |
| Disputed dues of micro enterprises and small enterprises | | | | | - |
| Disputed dues of creditors other than mico enterprises and small enterprises | | | | | - |
| Total | **206.32** | **79.62** | - | 812.71 | **1,098.65** |

**15 Other financial liabilities**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Current** | | |
| Interest accrued and due on borrowings | - | 1,56,859.05 |
| | - | 1,56,859.05 |

**16 Other current liabilities**

| | | |
|---|---|---|
| Advances received from customers | 7,219.16 | 7,219.16 |
| Statutory dues payable | 2,387.29 | 992.42 |
| Provision for expenses | 15.67 | - |
| Salary payable | 476.10 | - |
| | 10,098.22 | 8,211.58 |

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| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **17 Revenue from operations** | | |
| **Revenue from operations** | | |
| Income from Real Estate Marketing Services | 39,667.56 | 31,412.20 |
| | **39,667.56** | **31,412.20** |
| **18 Other income** | | |
| Provisions/ liabilities no longer required written-back | 65.76 | 368.43 |
| | **65.76** | **368.43** |
| **19 Employee benefits expense** | | |
| Salaries, wages and bonus | 36,316.56 | 27,710.83 |
| Contribution to provident fund and other funds | 1,335.19 | 993.79 |
| | **37,651.75** | **28,704.61** |
| **20 Finance costs** | | |
| Interest | | |
| - Borrowings | 2,432.45 | 19,533.50 |
| | **2,432.45** | **19,533.50** |
| Less: Interest captalised to inventory | 1,266.14 | 1,688.19 |
| | **1,166.31** | **17,845.31** |

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**21 Depreciation and amortization expense**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Amortization of intangible assets (refer note 4) | 24.79 | - |
| | **24.79** | **-** |

**22 Other expenses**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Legal and professional * | 539.09 | 272.00 |
| Travel and conveyance | 702.48 | 688.37 |
| Rent | 269.30 | 247.07 |
| Printing & Stationary | 68.65 | 244.91 |
| Repairs and maintenance | 736.96 | 2,086.84 |
| Rates and taxes | 66.69 | 108.13 |
| Communication costs | 265.04 | 223.18 |
| Advertising and sales promotion | 4,599.85 | 1,736.76 |
| Commission and Brokerage | 3,120.67 | 1,940.43 |
| Loss on disposal / write off of property, plant and equipment | - | 51.62 |
| Miscellaneous expenses | 2,611.23 | 19.63 |
| | **12,979.96** | **7,618.93** |

*** Payment to auditor [included in legal and professional charges]**

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **As auditor:** | | |
| Audit fee | 80.00 | 80.00 |
| | **80.00** | **80.00** |

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## 23 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 Company does not have financial assets and liabilities measured at fair value.

The management assessed that the carrying values of cash and cash equivalents, trade receivables, loans, trade payables, borrowings and other financial assets and liabilities (as listed below) approximate their fair values largely either due to their short-term maturities or because they are assets/ liabilities carried at amorised cost and their amortised cost approximates their fair values.

| Break up of financial assets carried at amortized cost | Notes | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| Loans | 5 | 273.28 | 423.28 |
| Trade receivables | 7 | 6,022.24 | 950.69 |
| Cash and cash equivalents | 8 | 59.35 | 652.65 |
| | | **6,354.87** | **2,026.63** |

| Break up of financial liabilities carried at amortized cost | Notes | | |
|---|---|---|---|
| Borrowings | 13 | 8,453.20 | 2,03,788.20 |
| Trade payable | 14 | 17,137.35 | 1,098.65 |
| Other financial liabilities | 15 | - | 1,56,859.05 |
| | | **25,590.55** | **3,61,745.89** |

## 24 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 loans, trade receivables, cash and bank balances and other receivables that derive directly from its operations.
The Company's activities expose it to market risk, liquidity risk and edit 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.

*Credit risk management*

With respect to trade receivables/ unbilled revenue, the Company has constituted teams to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss.

### 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 and other bank balances is as below:

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Cash and cash equivalents | 59.35 | 652.65 |
| | **59.35** | **652.65** |

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**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, 2023 | On demand | Less than 1 year | 1 years to 5 years | 5 years and above | Total |
|---|---|---|---|---|---|
| **Financial liabilities - current** | | | | | |
| Borrowings | 8,453.20 | - | - | - | 8,453.20 |
| Trade payables | - | 17,137.35 | - | - | 17,137.35 |
| Other financial liabilities | - | - | - | - | - |
| **TOTAL** | **8,453.20** | **17,137.35** | **-** | **-** | **25,590.55** |

| March 31, 2022 | On demand | Less than 1 year | 1 years to 5 years | 5 years and above | Total |
|---|---|---|---|---|---|
| **Financial liabilities - current** | | | | | |
| Borrowings | 2,03,788.20 | - | - | - | 2,03,788.20 |
| Trade payables | - | 1,098.65 | - | - | 1,098.65 |
| Other financial liabilities | - | 1,56,859.05 | - | - | 1,56,859.05 |
| **TOTAL** | **2,03,788.20** | **1,57,957.70** | **-** | **-** | **3,61,745.90** |

**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.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

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'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.

**d. Interest rate sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of financial assets and liabilities.

| **Particulars** | **March 31, 2023** | **March 31, 2022** |
|---|---|---|
| Interest rates – increase by 50 basis points (50 bps) | **5,05,603.50** | 9,97,406.00 |
| Interest rates – decrease by 50 basis points (50 bps) | **(5,05,603.50)** | (9,97,406.00) |

**25 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 long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances. Total equity comprises equity share capital and other equity.

| **Particulars** | **March 31, 2023** | **March 31, 2022** |
|---|---|---|
| Borrowings | 8,453.20 | 2,03,788.20 |
| Current maturities of long term borrowings and finance lease obligations | - | - |
| Less: Cash and cash equivalents | (59.35) | (652.65) |
| Net debt | **8,393.85** | **2,03,135.55** |
| Total equity | 20,683.70 | (3,17,226.81) |
| Gearing ratio | 0.41 | (0.64) |

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

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## 26 Financial Ratios

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

| Ratios/Measures | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Current Assets (A) | 61,599.21 | 54,709.63 |
| Current Liabilities (B) | 35,688.77 | 3,69,957.47 |
| **Current Ratio ( C) = (A) / (B)** | **1.73** | **0.15** |
| **% of change from previous year** | **-1067.16%** | |

The ratio has changed mainly due to decrease in current liability in current year

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

| Ratios/Measures | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Profit (Loss) after tax (A) | (12,089.49) | (22,388.23) |
| Add: Non cash operating expenses and finance cost | | |
| Depreciation expense (B) | 24.79 | - |
| Finance costs (C) | 1,166.31 | 17,845.31 |
| **Earnings available for debt services (D) = (A)+(B)+(C)** | **(10,898.39)** | **(4,542.92)** |
| Finance costs (E) | 1,166.31 | 17,845.31 |
| Repayment of borrowings (F) | 3,50,000.00 | - |
| Payment of principal portion of lease liabilities (G) | - | - |
| Debt service (H) = (E) + (F) + (G) | 3,51,166.31 | 17,845.31 |
| **Debt service coverage ratio (I) = (D) / (H)** | **-0.03** | **-0.25** |
| **% of change from previous year** | **87.81%** | |

The ratio has changed mainly due to decrease in interest expenses and repayment

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

| Ratios/Measures | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Profit (Loss) after tax (A) | (12,089.49) | (22,388.23) |
| Closing Shareholders Equity (B) | 20,683.70 | (3,17,226.81) |
| Average shareholder's equity [(Opening + Closing)/2] C | (1,48,271.55) | (3,06,032.69) |
| **Return on equity ratio (D ) = (A) / (C)** | **0.08** | **0.07** |
| **% of change from previous year** | **-11.45%** | |

d **Ratio** Trade receivables turnover ratio
**Numerator** Revenue from operations
**Denominator** Average trade receivables

| Ratios/Measures | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Revenue from operations (A) | 39,667.56 | 31,412.20 |
| Closing trade receivables (B) | 6,022.24 | 950.69 |
| Average Trade Receivables [(opening + closing) /2] (B) | 3486.47 | 2770.03 |
| **Trade receivables turnover ratio (C ) = (A) / (B)** | **11.38** | **11.34** |
| **% of change from previous year** | **-0.33%** | |

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

| Ratios/Measures | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Total purchases (A) * | 12,979.96 | 7,618.93 |
| Closing trade payables (B) | 17,137.35 | 1,098.65 |
| Average Trade Payables [(opening + closing) /2] (B) | 9,118.00 | 1,790.72 |
| **Trade payables turnover ratio (C ) = (A) / (B)** | **1.42** | **4.25** |
| **% of change from previous year** | **66.54%** | |

* Total expenses represents aggregate of other expesnses
The ratio has changed mainly due to increase in trade payable when compared to previous year

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f **Ratio** Net profit ratio
**Numerator** Profit after tax
**Denominator** Revenue from operations

| **Ratios/Measures** | **March 31, 2023** | **March 31, 2022** |
|---|---|---|
| Profit (Loss) after tax (A) | (12,089.49) | (22,388.23) |
| Revenue from operations (B) | 39,667.56 | 31,412.20 |
| Net profit ratio (C ) = (A) / (B) | (0.30) | (0.71) |
| **% of change from previous year** | **-57.24%** | |

The ratio has changed mainly due to decrease in interest expenses when compared to last year

g **Ratio** Return on capital employed
**Numerator** Earning before interest and taxes
**Denominator** Capital Employed (Total equity, Total borrowings and Total lease liabilities

| **Ratios/Measures** | **March 31, 2023** | **March 31, 2022** |
|---|---|---|
| Profit (Loss) after tax (A) | (12,089.49) | (22,388.23) |
| Adjustments:- | | |
| Add: Total tax expenses (B) | | |
| Add: Finance cost (C') | 1,166.31 | 17,845.31 |
| **Earnings before interest and tax (D) = (A) + (B) + (C)** | **(10,923.18)** | **(4,542.92)** |
| Total Equity (E') | 20,683.70 | (3,17,226.81) |
| Total borrowings (F) | 8,453.20 | 2,03,788.20 |
| **Capital Employed (G) = (E) + (F)** | **29,136.90** | **(1,13,438.61)** |
| Return on capital employed (G) = (D) / (G) | (0.37) | 0.04 |
| **% of change from previous year** | **-1036.12%** | |

The ratio has changed mainly due to increase in capital employed in the current year compared to previous year.

**Note:**
Return on investment are not applicable to the Company.

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**27 Going Concern**

The Company has incurred a net loss of Rs. 1,20,89,491/- during the year ended 31 March 2023 and, as of that date, the Company's accumulated losses amount to Rs. 40,35,75,293/- resulting in substantial erosion of its net worth. These conditions, along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the management is confident that the Company will generate adequate surplus in the future based on its long term business strategies and future business plan. Accordingly, the accompanying financials have been prepared on going concern basis.

| **28 Additional information to the financial statements** | **As at March 31, 2023** | **March 31, 2022** |
|---|---|---|
| **a. Contingent liabilities** | | |
| i. Claims against the Company not acknowledged as debt | - | - |
| ii. Guarantees | - | - |
| iii. Other money for which Company is contingently liable | - | - |
| **b. Commitments** | | |

c. In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the balance sheet.

The Company has embarked upon a Layout Project which was originally taken for Marketing. The Company has entered into Agreements to Sell, with Prospective Purchasers and has collected the advance from Prospective Purchasers. Prior to the purchase of the Project land, it was conceived to be a Project for Marketing and hence, the Company had recognized some portion of the advance as revenue in the earlier years. Consequent to the purchase of the Project land and approval of plotted development Project, the revenue from this Project will be recognized upon completion of the Project. Mean time, it has come to the knowledge of the Board of Directors that, R. Balaji (Ex-CEO), has entered into certain Agreements containing a clause pertaining to 'Buy Back' of the Plot, under the said Agreements, on certain pre-determined price, which is without the Authority of the Management and the Board of Directors The Company has initiated action to terminate the 'Buy Back' commitment extended by the said R. Balaji, CEO, as the same has been offered without the authority of the Board and in excess of the Authority granted to him. Majority of such contracts has been terminated and amount is refunded. Company is evaluating the final position of the project. In view of the uncertainty in the final outcome of the Project, the balance revenue to be recognized and cost thereof would be accounted only on the completion of the Project. Pending the completion of the Project, amount collected from the customers has been shown as current liability and land and incidental cost associated thereto is shown as work in progress. However, interest, if any, paid upon cancellation of Agreement with 'Buy Back' clause has been charged off to the statement of profit and loss.

| **29 Other additional information - Statement of Profit and loss** | **March 31, 2023** | **March 31, 2022** |
|---|---|---|
| **a. Revenue from operations** | | |
| Receipts from Real estate marketing services | 39,668 | 31,412 |
| | **39,668** | **31,412** |
| b. Value of imports at CIF basis: | - | - |
| c. Expenditure in foreign currency: | - | - |
| d. Earnings in foreign currency: | - | - |
| e. Donation to political parties | - | - |

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance Sheet.

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**30** Revenue from contracts with customers:

**30.1 Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers, which is in agreement with the contracted price.

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Revenue from real estate development** | | |
| Revenue from services transferred to customers at a point in time | 39,667.56 | 31,412.20 |
| **Other operating revenue** | 39,667.56 | 31,412.20 |

**30.2 Contract balances**

| | | |
|---|---|---|
| Trade receivables | 6,022.24 | 950.69 |
| Contract liabilities * | 7,219.16 | 7,219.16 |
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | - | - |
| Revenue recognised in the reporting period from performance obligations satisfied in previous periods | Nil | Nil |

**30.3 Performance obligations**

| | | |
|---|---|---|
| Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period ** | | |
| Revenue to be recognised at a point in time | - | - |
| Revenue to be recognised over time | - | - |

**30.4 Assets recognised from the costs to obtain or fulfil a contract with a customer**

| | | |
|---|---|---|
| Inventories | | |
| - Work-in-progress | 52,216.68 | 50,950.53 |
| | 52,216.68 | 50,950.53 |

**31 Other Statutory Information**

| | | |
|---|---|---|
| a i. Details Of Utilisation Of Borrowings<br>The Company do not have any borrowings from banks and financial institutions during the year. | Nil | Nil |
| ii. Details Of Title Deeds Of Immovable Property Not Held In The Name Of The Company | Nil | Nil |
| iii. Details Of Revaluation Of Immovable Property | Nil | Nil |
| iv. Details Of Revaluation Of Intangibles | Nil | Nil |
| v. Ageing Schedule Of Capital Work-In-Progress | Nil | Nil |
| vi. Ageing Schedule Of Intangible Assets Under Development | Nil | Nil |
| vii. Completion Schedule Of Capital Work-In-Progress Which Is Overdue Or Has Exceeded The Cost | Nil | Nil |

**b Details Of Benami Property Held**

There are no proceedings that have been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibitions) Act, 1988.

**c Additional Disclosures Wth Respect To Loans And Advances**

The Company has not advanced any loans to promoters or directors or KMPs or any other related parties and also there are no loans and advances outstanding at the year end receivable from promoters or directors or KMPs or any other related parties.

**d** 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.

| | | |
|---|---|---|
| **e Details Of Security Of Current Assets Against Borrowings** | Nil | Nil |

**f Wilful Defaulter**

The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

**g Relationship With Struck Off Companies**

There are no transactions with companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956.

**h Details Of Charges Or Satisfaction Yet To Be Registered With Registrar Of Companies**

There are no charges and satisfaction yet to be registered with the Registrar of Companies beyond the statutory period as on 31.03.2023.

**i Details Of Compliance With Number Of Layers Of Companies- Not Applicable**

**j Compliance With Approved Scheme(S) Or Arrangements**

There are no approved schemes or arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

**k Details Of Utilisation Of Borrowed Funds And Share Premium**

A The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- 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 to or on behalf of the ultimate beneficiaries

B The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- 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

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**31 Related party transactions**

**(i) Enterprise having control over reporting enterprise**
Puravankara Limited

**(ii) Enterprises under common control**
Provident Housing Limited

**(iii) Key management personnel**
Mr. Nani R Choksey - Director
Mr. Suresh Puravankara - Director
Mr. Ashish Puravankara - Director

**(iv) Entities controlled by key management personnel (other related parties):**
Puravankara Investments - Ravi Puravankara Proprietor

**(v) Transactions with related parties at the year end are as follows:**

| Nature of transaction | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Real Estate Marketing Services** | | |
| Provident Housing Limited | 1,863.28 | 1,921.09 |
| Puravankara Limited | 4,805.09 | 2,104.45 |
| Purva Star Properties Pvt. Ltd | 213.50 | - |
| Purva Realities Private Limited | 2,163.23 | - |
| **Reimbursement of expenses** | | |
| Puravankara Limited | 9,841.41 | 4,660.53 |
| Provident Housing Limited | - | - |
| **Interest on Loan** | | |
| Provident Housing Limited | 2,432.45 | 19,533.50 |
| **Interest on Loan repaid to** | | |
| Provident Housing Limited | 1,54,665.00 | - |
| **Repayment of Loan** | | |
| Provident Housing Limited | 1,95,335.00 | - |
| **Issue of compulsorily convertible debentures** | | |
| Puravankara Limited | 3,50,000.00 | - |

**(vi) The Balances with related parties for the year are as follows**

| Nature of transaction | As at March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Loan taken from** | | |
| Provident Housing Limited | 2,432.45 | 1,95,335.00 |
| Puravankara Investments | 5,000.00 | 5,000.00 |
| **Interest accrued and due on borrowings** | | |
| Provident Housing Limited | - | 1,56,859.05 |
| **Advance Received (net of trade receivables)** | | |
| Puravankara Limited | 14,198.98 | - |
| Provident Housing Limited | 949.66 | - |
| Purva Realities Private Limited | 454.55 | - |
| **Trade receivables** | | |
| Puravankara Limited | - | 2,157.89 |
| **Compulsorily convertible debentures** | | |
| Puravankara Limited | 3,50,000.00 | - |

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## PROPMART TECHNOLOGIES LIMITED
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| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **32 Unhedged foreign currency exposure** | Nil | Nil |

**33 Segmental information**

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. The Company's revenue from operations from external customers relate to real estate development in India and all the non-current assets of the Company are located in India.

**34** The Company has not traded or invested in cryptocurrency transactions or Virtual Currency during the financial year.

**35 Standards issued but not yet effective**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

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

The amendments clarify the distinction between changes in accounting estimates and 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 are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

(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 to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

(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.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

**36** The figures of previous year have been regrouped/reclassified, whenever necessary, to conform to this year's classification.

**Summary of significant accounting policies** 2.2

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

As per report of even date

**For V D S R & Co LLP.,**
Chartered Accountants
Firm Registration Number: 001626S/S200085

V D S R & CO LLP
F.R. No. 001626S/ S200085
BANGALORE
CHENNAI
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Venkatesh Kamath S V
Partner
Membership No: 202626

Place: Bengaluru
Date: May 22,2023

**for and on behalf of the Board of directors of**
**Propmart Technologies Limited**

Nani Rusi Choksey
Director
DIN:00504555

Place: Bengaluru
Date: May 22,2023

Ashish Ravi Puravankara
Director
DIN:00504524

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