

# Agarwal Prakash & Co.

CHARTERED ACCOUNTANTS

508, Indra Prakash, 21, Barakhamba Road, New Delhi - 110001

Phone : 011-43516377 • E-mail : contact@apnco.org

---

## INDEPENDENT AUDITOR'S REPORT

To the Members of Selene Constructions Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Selene Constructions Limited ("the Company"), which comprise the balance sheet as at 31 March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2024, its 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 the Standards on Auditing ('SA's) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. Other information 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 will not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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, to the extent applicable.

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 except for the matters stated in the paragraph **h(vi)** below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph **h(vi)** below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(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 has disclosed the impact of pending litigations on its financial position in its financial statements as at 31 March 2024— Refer **Note 45** to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared and paid dividend during the year.
- vi. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
  - i. The feature of recording audit trail (edit log) facility was not enabled at the database layer to log any direct data changes for all the accounting softwares used for maintaining the books of account.
  - ii. In the absence of coverage of audit trail (edit log) with respect to database level in the independent auditor's report in relation to controls at the service organisation for accounting softwares used for preparation of financial statements, which is operated by third- party softwares service provider, we are unable to comment whether the audit trail feature of the database level of the said softwares was enabled and operated throughout the year for all relevant transactions recorded in the softwares.

Further, where the audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on

preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

- (i) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company did not pay any remuneration to its directors during the year.

For **Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration No.: 005975N

**Vikas Agarwal**  
Partner  
Membership No. 097848  
UDIN: 24097848BKGQAD4724

Place: Delhi  
Date: 22 April 2024

## Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2024, based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company has no intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.  
  
(b) According to the information, explanation and representation provided to us and based on verification carried out by us, the management has conducted physical verification of property, plant and equipment during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) The Company does not have any immovable property. Accordingly, clause 3 (i)(c) of the Order is not applicable.  
  
(d) The Company has not revalued any of its Property, Plant and Equipment during the year.  
  
(e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the management has conducted physical verification of inventory at reasonable intervals during the year and no discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.  
  
(b) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not been sanctioned 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, clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, the Company has not made any investment in, provided any guarantee or security or advances in the nature of loans, secured or unsecured to firms, Limited Liability Partnerships (LLPs) and Companies. The Company has granted interest free loan, unsecured, to companies during the year as below:
  - (a) The Company has provided loans to companies. The details of the same are given below:

(Rs. in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
<b>Aggregate amount during the year</b>				
- Fellow Subsidiary Companies	-	-	38.34	-
- Others	-	-	-	-
<b>Balance outstanding as at balance sheet date</b>				
- Fellow Subsidiary Companies	-	-	697.66	-
- Others	-	-	-	-

(b) The Company has not made any investment in, granted loans, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured and to companies, firms, limited liability partnership or any other parties during the year. However, the Company has granted loans to fellow subsidiary companies (year-end balance Rs. 697.66 Lakhs) at nil interest rate which is lower than the market rate of interest. In respect of such loans, we have not been provided with adequate explanation of the benefits, if any, accruing to the Company for giving such loans, we are unable to comment as to whether the terms and conditions of grant of such loans, prima facie, prejudicial to the interest of the Company.

(c) According to the information, explanation and representation provided to us and based on verification carried out by us, in respect on loans granted, the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular.

(d) According to the information, explanation and representation provided to us and based on verification carried out by us, there is no overdue amount in respect of loans granted to company. Accordingly, clause 3(iii)(d) of the Order is not applicable.

(e) According to the information, explanation and representation provided to us and based on verification carried out by us, no loans or advances in the nature of loans granted by the Company which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in clause (76) of Section 2 of the Companies Act, 2013:

(Rs. in Lakhs)

Particulars	All Parties	Promoters	Related Parties
<b>Aggregate of loans/advances in nature of loan</b>			
- Repayable on demand (A)	697.66	-	697.66
- Agreement does not specify any terms or period of repayment (B)	-	-	-
<b>Total (A+B)</b>	<b>697.66</b>	<b>-</b>	<b>697.66</b>
<b>Percentage of loans/advances in nature of loan to the total loans</b>			100%

- (iv) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- (v) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and the rules framed there under and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues outstanding of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (in Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
Haryana Value Added Tax Act	VAT	6.03	F.Y. 2014-15	JETC (Appeals)



The Central Goods & Service tax Act, 2017	Credit of EC and Higher cess claimed as Service tax	1.34	June-15 to September-15	Asstt Commissioner, Audit-II, Mumbai
The Central Goods & Service tax Act, 2017	Input Tax Credit in Tran-1	27.95	Balances as at 30.06.2017 in Trans-1	Asstt. Commissioner, CGST & Central Excise
Income Tax Act, 1961	Income Tax	33.97	A.Y. 2014-15, 2015-16, 2016-17 & 2017-18	CIT (Appeals)

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961), that has not been recorded in the books of account.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings and interest thereon payable to any banks and other lenders. The Company does not have any borrowings from financial institutions or government.
- (b) According to the information and explanations given to us and written representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans. Accordingly, reporting under para 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us, and the procedures performed by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us, and the procedures performed by us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us, and the procedures performed by us, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) According to the information and explanations given to us, and the procedures performed by us, the company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit is performed as per a planned program approved by the Board of Directors of the Company. We have considered the reports of the Internal Auditor for the period under audit, issued to the Company till date.
- (xv) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of section 192 of the Act under clause 3(xv) of the order are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of **Rs. 1,372.61 lakhs** in the current financial year 2023-24 and cash losses of **Rs. 3,140.40 lakhs** during immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and subject to the **Note no. 48** of the financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) Based on the examination of records of the company and according to the information and explanation given to us by the company, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a fund specified in Schedule VII in compliance with second proviso to sub-section 5 of the section 135 of the Act. This matter has been disclosed in **Note No. 27(ii)** to the financial Statements.
- (b) Since there are no ongoing project, accordingly, reporting under clause 3(xx)(b) of the order is not applicable to the company.

For **Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration No.: 005975N

**Vikas Agarwal**  
Partner  
Membership No. 097848  
UDIN: 24097848BKGQAD4724

Place: Delhi  
Date: 22 April 2024

## **Annexure B to the Independent Auditor's Report**

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2024 of even date.

### **Independent Auditor's 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 with reference to financial statements of Selene Constructions Limited ('the Company') as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements 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 with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration No.: 005975N

**Vikas Agarwal**  
Partner  
Membership No. 097848  
UDIN: 24097848BKGQAD4724

Place: Delhi  
Date: 22 April 2024

**Selene Constructions Limited**  
**Balance sheet as at 31 March 2024**

	Note	31 March 2024 (₹ in lakhs)	31 March 2023 (₹ in lakhs)
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	-	0.77
Financial assets			
Other financial assets	6A	-	294.85
Deferred tax assets (net)	7	3.70	3.50
Non-current tax assets (net)	8	22.20	86.11
		<u>25.90</u>	<u>385.23</u>
<b>Current assets</b>			
Inventories	9	166.57	1,035.24
Financial assets			
Trade receivables	10	115.56	141.21
Cash and cash equivalents	11	88.69	99.03
Other bank balances	12	1,318.56	1,030.85
Loans	13	697.66	2,450.32
Other financial assets	6B	219.54	55.73
Other current assets	14	44.28	354.83
		<u>2,650.86</u>	<u>5,167.21</u>
<b>Total of Assets</b>		<u><b>2,676.76</b></u>	<u><b>5,552.44</b></u>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15A	9.80	9.80
Instruments entirely equity in nature	15B	11,915.19	11,915.19
Other equity	16	(14,912.32)	(12,979.50)
		<u>(2,987.33)</u>	<u>(1,054.51)</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	17A	11.21	8.20
		<u>11.21</u>	<u>8.20</u>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	1,930.51	3,014.01
Trade payables			
-total outstanding dues of micro enterprises and small enterprises	19A	5.84	0.30
-total outstanding dues of creditors other than micro enterprises and small enterprises	19B	1,790.46	1,586.02
Other financial liabilities	20	99.94	98.00
Other current liabilities	21	1,325.85	1,900.20
Provisions	17B	500.28	0.22
		<u>5,652.88</u>	<u>6,598.75</u>
<b>Total of Equity and Liabilities</b>		<u><b>2,676.76</b></u>	<u><b>5,552.44</b></u>
<b>Summary of material accounting policies</b>	4		

**The accompanying notes are an integral part of the financial statements**

This is the balance sheet referred to in our report of even date.

**For Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration Number: 005975N

**For and on behalf of the board of directors**

**Vikas Aggarwal**  
Partner  
Membership No : 097848

**Ssatyajit Parrihaar**  
Whole-time director  
[DIN: 09643887]

**Om Prakash Prajapati**  
Director  
[DIN: 09655081]

**Place:** Gurugram  
**Date:** 22 April 2024

**Shakti Bedi**  
Chief Financial Officer

**Surabhi Sangal**  
Company Secretary

Selene Constructions Limited  
Statement of profit and loss for the year ended 31 March 2024

	Note	31 March 2024 (₹ in lakhs)	31 March 2023 (₹ in lakhs)
<b>Revenue</b>			
Revenue from operations	22	869.03	1,946.80
Other income	23	93.20	90.52
<b>Total Revenue</b>		<b>962.23</b>	<b>2,037.32</b>
<b>Expenses</b>			
Cost of revenue	24		
Cost incurred during the year		1,039.48	1,224.83
Decrease in real estate properties		868.66	3,406.38
Employee benefits expense	25	62.63	64.25
Finance costs	26	0.21	13.73
Depreciation	5	0.20	1.68
Other expenses	27	863.33	462.83
<b>Total Expenses</b>		<b>2,834.51</b>	<b>5,173.70</b>
<b>Profit/(loss) before exceptional and tax</b>		<b>(1,872.28)</b>	<b>(3,136.38)</b>
Exceptional items	49	-	8,039.55
<b>Profit/(loss) before tax</b>		<b>(1,872.28)</b>	<b>4,903.17</b>
<b>Tax expense</b>			
Current tax (including earlier years)		60.21	1.46
Deferred tax (credit)/charge	28	(0.07)	4.24
<b>Total of tax expense</b>		<b>60.14</b>	<b>5.70</b>
<b>Profit/(loss) after tax</b>		<b>(1,932.42)</b>	<b>4,897.47</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Re-measurement loss on defined benefit plans (net of taxes)		(0.53)	-
Income tax effect		0.13	-
<b>Other comprehensive income</b>		<b>(0.40)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(1,932.82)</b>	<b>4,897.46</b>
<b>Earnings per share</b>			
Basic (₹)	29	(149.85)	4,995.43
Diluted (₹)		(149.85)	379.78
<b>Summary of material accounting policies</b>	4		

The accompanying notes are an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date.

For Agarwal Prakash & Co.  
Chartered Accountants  
Firm's Registration Number: 005975N

For and on behalf of the board of directors

Vikas Aggarwal  
Partner  
Membership No : 097848

Ssatyajit Parrihaar  
Whole-time director  
[DIN: 09643887]

Om Prakash Prajapati  
Director  
[DIN: 09655081]

Place: Gurugram  
Date: 22 April 2024

Shakti Bedi  
Chief Financial Officer

Surabhi Sangal  
Company Secretary

Selene Constructions Limited  
Cash flow statement for the year ended 31 March 2024

	31 March 2024 (₹ in lakhs)	31 March 2023 (₹ in lakhs)
<b>A Cash flow from operating activities:</b>		
Profit / (loss) before tax	(1,872.28)	4,903.17
<i>Adjustments for:</i>		
Depreciation	0.20	1.68
Interest expense	0.01	0.01
Balances Written Back	3.29	-
Interest income	(86.94)	(73.49)
Property, plant and equipment written off	0.57	0.56
Provision for employee benefits	2.55	0.68
Exceptional items (Refer Note: 50)	-	(8,039.55)
<b>Operating profit / (loss) before working capital changes</b>	<b>(1,952.60)</b>	<b>(3,206.94)</b>
<i>Working capital changes and other adjustments:</i>		
Trade receivables	25.65	821.00
Others current and non-current assets	310.55	(299.20)
Other current and non-current financial assets	(156.31)	-
Inventories	868.67	3,406.37
Trade payables	209.98	0.22
Other financial liabilities	1.92	(71.23)
Other current liabilities and provisions	(77.65)	(1,069.78)
<b>Cash (used in) / generated from in operating activities</b>	<b>(769.79)</b>	<b>(419.56)</b>
Income taxes refund / (paid) net	3.71	60.06
<b>Net cash generated (used in) /from operating activities</b>	<b>(766.08)</b>	<b>(359.50)</b>
<b>B Cash flow from investing activities:</b>		
Proceeds from sale of property, plant and equipment	0.00	-
Inter-corporate loans received back / (given) to related parties, net	1,752.66	2,864.60
Interest received	86.58	72.58
<b>Net cash generated from/(used in) investing activities</b>	<b>1,839.24</b>	<b>2,937.18</b>
<b>C. Cash flow from financing activities: (Refer Note-47)</b>		
Proceeds from inter-corporate borrowings	1,122.50	7,899.31
Repayment of inter-corporate borrowings	(2,206.00)	(10,446.65)
Interest paid on inter-corporate borrowings	(0.01)	(87.78)
<b>Net cash (used in) /generated from financing activities</b>	<b>(1,083.51)</b>	<b>(2,635.12)</b>
<b>D Net (Decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(10.34)</b>	<b>(57.43)</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>99.03</b>	<b>156.46</b>
<b>F Cash and cash equivalents at the end of the year (D+E) (refer note 11)</b>	<b>88.69</b>	<b>99.03</b>

The accompanying notes are an integral part of the financial statements

This is the cash flow statement referred to in our report of even date.

**For Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration Number: 005975N

For and on behalf of board of directors

**Vikas Aggarwal**  
Partner  
Membership No : 097848

**Ssatyajit Parrihaar**      **Om Prakash Prajapati**  
Whole-time director      Director  
[DIN: 09643887]      [DIN: 09655081]

Place: Gurugram  
Date: 22 April 2024

**Shakti Bedi**      **Surabhi Sangal**  
Chief Financial Officer      Company Secretary



Selene Constructions Limited  
Statement of changes in equity for the year ended 31 March 2024

**A Equity share capital\***

(₹ in lakhs)

Particulars	Balance as at 31 March 2024	Balance as at 31 March 2023
Equity share capital	9.80	9.80

**B Instruments entirely equity in nature\*\***

(₹ in lakhs)

Particulars	Balance as at 31 March 2024	Balance as at 31 March 2023
Compulsory convertible preference shares	3,915.19	3,915.19
Optionally convertible debentures	8,000.00	8,000.00
<b>Total</b>	<b>11,915.19</b>	<b>11,915.19</b>

**C Other equity^**

(₹ in lakhs)

Description	Other components of equity	General reserve	Reserves and surplus		Total
			Share options outstanding account	Retained earnings	
<b>Balance as at 01 April 2022</b>	26.77	-	-	(17,903.74)	(17,876.97)
Profit for the year	-	-	-	4,897.47	4,897.47
Other comprehensive income					
Re-measurement loss on defined benefit plans (net of tax)	-	-	-	-	-
Share based payment expense	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>26.77</b>	<b>-</b>	<b>-</b>	<b>(13,006.27)</b>	<b>(12,979.50)</b>
Loss for the year	-	-	-	(1,932.42)	(1,932.42)
Other comprehensive income					
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	(0.40)	(0.40)
Transfer to general reserve	(26.77)	26.77	-	-	-
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>26.77</b>	<b>-</b>	<b>(14,939.09)</b>	<b>(14,912.32)</b>

\*Refer note 15.A for details

\*\*Refer note 15B for details

^Refer note 16 for details

The accompanying notes are an integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number: 005975N

Vikas Aggarwal

Partner

Membership No : 097848

For and on behalf of the board of directors

Ssatyajit Parrihaar

Whole-time director

[DIN: 09643887]

Om Prakash Prajapati

Director

[DIN: 09655081]

Place: Gurugram

Date: 22 April 2024

Shakti Bedi  
Chief Financial Officer

Surabhi Sangal  
Company Secretary