

# Agarwal Prakash & Co.

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Sepset Real Estate Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Sepset Real Estate Limited ("the Company"), which comprise the balance sheet as at 31 March 2025, 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statement.

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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 2025— Refer Note 47 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 2025.
- 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 2025.

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, other than as disclosed in note 38 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("the 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 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. As stated in note 51 to the financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2024, has used an accounting softwares for maintaining its books of account which have feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the softwares except that, the audit trail logs were not enabled for changes made using privileged access rights for direct data changes at the database level. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given above. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention except that the audit trail at the database level for the Company has not been preserved in the accounting software for the period 1 April 2023 to 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 Number.: 005975N



**Aashish K Verma**  
Partner

Membership Number: 527886

UDIN: 25527886BPOJQL1761



Place: Delhi

Date: 27 May 2025



## 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 2025, 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) In respect of the Company's Property, Plant and Equipment and Intangible assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (B) The Company does not have Intangible assets. Accordingly, clause 3 (i)(a)(B) of the Order is not applicable.
  - (b) The property, plant and equipment has been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification 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 its Property, Plant and Equipment during the year.
  - (e) According to the information, explanation and representation provided to us and based on verification carried out by us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The inventories held by the Company comprise stocks of units in completed projects and work in progress of the projects under development. Having regard to the nature of the Inventory, the management has conducted physical verification of inventory by way of verification of title deeds, site visits conducted, and continuous project progress monitoring by competent persons at reasonable intervals during the year, and no material discrepancies were noticed on such physical verification.
- (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 investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to firms, Limited Liability Partnerships and Companies. The Company has granted interest free unsecured loans to companies during the year as below:



- a) During the year, the Company has granted interest free unsecured loans to companies. The details of the same are given below:

(Rs. in lakhs)	
Particulars	Loans (refer note 13)
<b>Aggregate amount granted during the year</b>	
Others	
- Fellow Subsidiaries	18,399.04
<b>Balance outstanding as at balance sheet date</b>	
Others	
- Fellow Subsidiaries	16,559.51

- (b) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to firms, Limited Liability Partnerships and Companies but has provided unsecured loans to Companies. However, the Company has granted unsecured loans to Companies at nil interest rate which is lower than the market rate of interest (refer note 46). 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, are, 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 granted unsecured loans which are repayable on demand, as per details below:

(Rs. in Lakhs)			
Particulars	All Parties	Promoters	Related Parties
<b>Aggregate of loans</b>			
- Repayable on demand (A)	16,559.51	-	16,559.51
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	16,559.51	-	16,559.51
<b>Percentage of loans</b>			100.00%





- (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 granted 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 clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services 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, cess and other material statutory dues, as applicable, with 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, explanation and representation provided 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
Income Tax Act, 1961	Income Tax	35.16	A.Y. 2014-15	CIT (Appeals)
Goods and Services Tax Act 2017	GST	30.72	F.Y. 2018-19	Appellate Authority (State)

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions were 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 accounts.
- (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 repayment of its loans or borrowings or in the payment of interest thereon to any lender. The company does not have any borrowings from financial institutions or government.
- (b) According to the information and explanations given to us including confirmations received from banks and other lenders 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 government or other lender.





- (c) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not obtained any term loans. Accordingly, clause 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, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (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 any 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, explanation and representation provided to us and based on verification carried out by 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) According to the information and explanations given to us, and the procedures performed by 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) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.



- (b) The Company did not have an internal audit system for the period under audit. Accordingly, clause 3(xiv) of the Order is not applicable.
- (xv) 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 entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 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, reporting under clause 3(xvi) (a) and (b) of the Order is not applicable to the Company.
- (b) The Company is not a Core Investment Company and there are no Core Investment Companies in the Group. Accordingly, reporting under clause 3(xvi) (c) and (d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses of Rs. 992.37 lakhs in the current financial year 2024-25 but has not incurred any cash loss during the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors 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 and 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. 53(d), nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Section 135 of the Companies Act, 2013 with regards to Corporate Social Responsibility are not applicable to the company. Accordingly, clause 3(xx) of the Order is not applicable.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N



**Aashish K Verma**  
Partner

Membership Number: 527886

UDIN: 25527886BPOJQL1761



Place: Delhi

Date: 27 May 2025



## **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 2025 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 Sepset Real Estate Limited ('the Company') as of 31 March 2025 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 2025, 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 Number: 005975N



**Aashish K Verma**  
Partner

Membership Number: 527886

UDIN: 25527886BPOJQL1761



Place: Delhi

Date: 27 May 2025



Balance Sheet as at	Note	31 March 2025	31 March 2024
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	6	78.69	86.86
(b) Financial Assets			
Other Financial assets	7	6.89	17.73
(c) Deferred tax assets, net	18	0.25	-
(d) Non-current tax assets, net	8	30.99	59.03
		<u>116.82</u>	<u>163.62</u>
<b>Current assets</b>			
(a) Inventories	9	11,061.95	13,261.62
(b) Financial Assets			
Trade receivables	10	862.07	490.41
Cash and cash equivalents	11	6.62	30.09
Other bank balances	12	5.06	5.06
Loans	13	16,233.50	316.00
(c) Other current assets	14	658.47	504.75
		<u>28,827.67</u>	<u>14,607.93</u>
<b>Total of Assets</b>		<u><b>28,944.49</b></u>	<u><b>14,771.55</b></u>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	5.00	5.00
(b) Other equity		<u>(11,412.24)</u>	<u>(9,102.29)</u>
		<u><b>(11,407.24)</b></u>	<u><b>(9,097.29)</b></u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Other financial liabilities	16 A	57.95	9.96
(b) Provisions	17 A	18.87	12.74
(c) Deferred tax liabilities, net	18	-	1.46
(d) Other non-current liabilities	19 A	14.17	4.37
		<u>90.99</u>	<u>28.53</u>
<b>Current liabilities</b>			
(a) Financial liabilities			
Borrowings	20	37,335.86	19,843.71
Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises;		1.24	7.24
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		690.60	1,199.52
Other financial liabilities	16 B	173.56	245.36
(b) Other current liabilities	19 B	2,058.97	2,544.13
(c) Provisions	17 B	0.51	0.35
		<u>40,260.74</u>	<u>23,840.31</u>
<b>Total of Equity and Liabilities</b>		<u><b>28,944.49</b></u>	<u><b>14,771.55</b></u>

**Summary of material accounting policies**

5

The accompanying notes are integral part of the financial statements

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

For Agarwal Prakash &amp; Co.

Chartered Accountants

Firm's Registration Number: 005975N

Aashish K. Verma

Partner

Membership Number: 527886



For and on behalf of the Board of Directors

Kuldinder Arora

Director

DIN: 09643877

Rashmi Burman

Director

DIN: 09655408

Place: Delhi

Date: 27 May 2025

All amount in ₹ lakhs, unless otherwise stated

Statement of profit and loss for the	Note	Year ended 31 March	
		2025	2024
<b>Revenue</b>			
Revenue from operations	22	1,847.70	5,226.96
Other income	23	7.08	5.94
<b>Total of Revenue</b>		<b>1,854.78</b>	<b>5,232.90</b>
<b>Expenses</b>			
Cost of revenue	24		
Cost of materials consumed during the year		1,414.06	1,172.78
(Increase)/Decrease in real estate properties		1,233.71	2,914.17
Employee benefits expense	25	96.17	4,086.95
Finance costs	26	4.16	58.68
Depreciation and amortisation expense	6	11.70	2.64
Other expenses	27	113.69	10.61
<b>Total of Expenses</b>		<b>2,873.49</b>	<b>708.02</b>
<b>(Loss)/Profit before exceptional and tax</b>		<b>(1,018.71)</b>	<b>366.00</b>
Exceptional items	52	(1,291.98)	-
<b>(Loss)/Profit before tax</b>		<b>(2,310.69)</b>	<b>366.00</b>
<b>Tax expense</b>	28		
Current tax (including earlier year tax)		0.02	0.01
Deferred tax charge/(credit)		(1.71)	(0.52)
<b>(Loss)/Profit after tax</b>		<b>(2,309.00)</b>	<b>366.51</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement (loss)/gain on defined benefit plan		(0.95)	(0.46)
<b>Total comprehensive income for the year</b>		<b>(2,309.95)</b>	<b>366.05</b>
<b>Earnings per equity share</b>	29		
Equity share of par value ₹ 10/- each			
Basic (₹)		(4,618.00)	733.00
Diluted (₹)		(4,618.00)	733.00

**Summary of material accounting policies**

5

The accompanying notes are 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 &amp; Co.

Chartered Accountants

Firm's Registration Number: 005975N

Aashish K Verma  
Partner

Membership Number: 527886



For and on behalf of the Board of Directors

  
Kalyinder Arora  
Director  
DIN: 09643877


  
Rashmi Burman  
Director  
DIN: 09655408

Place: Delhi

Date: 27 May 2025



## Statement of Cash Flows for the

Year ended 31 March

	2025	2024
<b>A. Cash flow from operating activities:</b>		
Profit/(loss) before income tax for the year	(2,310.69)	366.00
<b>Adjustments for:</b>		
Interest on security deposit	4.15	0.14
Interest expense on taxation	-	2.50
Interest expense on debentures	0.01	-
Depreciation and amortisation expense	11.70	10.61
Interest income on fixed deposits	(0.35)	(0.34)
Interest income on income tax refund	(1.60)	-
Interest income on security deposits	(3.83)	-
Loss on sale /written off of property, plant and equipment	-	0.18
Provision for bad and doubtful debts	28.12	-
Provision for gratuity and compensated absences	5.34	2.37
Exceptional items	1,291.98	-
Balances written off	0.11	1.70
Balance written back	(0.29)	(2.65)
<b>Operating (loss)/profit before working capital changes and other adjustments</b>	<b>(975.35)</b>	<b>380.51</b>
<b>Working capital changes and other adjustments</b>		
Trade receivables	(399.89)	(454.91)
Other financial assets & other assets	(143.20)	62.19
Inventories	1,233.70	2,914.17
Trade Payables	(514.92)	173.11
Other financial liabilities, other liabilities and provisions	(499.13)	(1,737.90)
<b>Cash (used in) / generated from operating activities</b>	<b>(1,298.79)</b>	<b>1,337.16</b>
Income tax (paid) / refund, net	29.87	(35.70)
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,268.92)</b>	<b>1,301.47</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(3.54)	(5.05)
Inter-corporate loans given to related parties	(18,399.04)	(316.00)
Inter-corporate loans received back from related parties	2,155.53	-
Interest received on fixed deposit	0.35	0.32
<b>Net cash (used in) investing activities</b>	<b>(16,246.70)</b>	<b>(320.73)</b>
<b>C. Cash flow from financing activities: (Refer Note: 48)</b>		
Proceeds from issue of non-convertible debentures	20,000.00	-
Proceeds from inter-corporate borrowings	1,956.50	5,630.13
Repayment of inter-corporate borrowings	(4,464.35)	(6,609.20)
<b>Net cash generated from / (used in) financing activities</b>	<b>17,492.15</b>	<b>(979.07)</b>
<b>D. (Decrease)/Increase in cash and cash equivalents, net (A+B+C)</b>	<b>(23.47)</b>	<b>1.67</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>30.09</b>	<b>28.42</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>6.62</b>	<b>30.09</b>
<b>G. Reconciliation of cash and cash equivalents as per cash flow statement</b>		
Cash on hand	-	-
Balances with banks		
-In current accounts	6.62	30.09
	<b>6.62</b>	<b>30.09</b>

The accompanying notes form an integral part of the financial statements.

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

For Agarwal Prakash &amp; co.

Chartered Accountants

Firm's Registration Number: 005975N

Aashish K Verma  
Partner

Membership Number: 527886



For and on behalf of the Board of Directors

Kulvinder Arora  
Director  
DIN: 09643877Rashmi Burman  
Director  
DIN: 09655408Place: Delhi  
Date: 27 May 2025

Sepset Real Estate Limited  
Statement of Changes in Equity as at 31 March 2025

All amount in ₹ lakhs, unless otherwise stated

(A) Equity share capital\*

Particulars	Opening balance as at 01 April 2023	Issue of equity share capital during the year	Balance as at 31 March 2024	Issue of equity share capital during the year	Balance as at 31 March 2025
Equity share capital	5.00	-	5.00	-	5.00

(B) Other equity

Particulars	Reserves and surplus	Other Comprehensive Income	Total
	Retained earnings	Remeasurement of defined benefit plan	
Opening balance as at 01 April 2023	(9,467.64)	(0.70)	(9,468.34)
Profit/(Loss) for the year	366.51	-	366.51
Other comprehensive income	-	(0.46)	(0.46)
Balance as at 31 March 2024	(9,101.13)	(1.16)	(9,102.29)
Profit/(Loss) for the year	(2,309.00)	-	(2,309.00)
Other comprehensive income	-	(0.95)	(0.95)
Balance as at 31 March 2025	(11,410.13)	(2.11)	(11,412.24)

\*Refer Note - 15 for details

The accompanying notes are 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

Aashish K Verma  
Partner

Membership Number: 527886



For and on behalf of the Board of Directors

*[Signature]*

Kulvinder Arora

Director

DIN: 09643877

*[Signature]*

Rashmi Burman

Director

DIN: 09655408

Place: Delhi

Date: 27 May 2025



**1. Nature of principal activities**

Sepset Real Estate Limited ("the Company") having CIN: U45400DL2007PLC163018 was incorporated on 07 May 2007 and is engaged in the business of real estate and other related and ancillary activities. The Company is domiciled in India and its registered office is situated at Office No. 202, 2<sup>nd</sup> Floor, A-18, Rama House, Middle Circle, Connaught Place, New Delhi- 110001.

**2. General information and statement of compliance with Ind AS**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 ('the Act') - read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other relevant provisions of the Act.

The financial statements are presented in Indian Rupees ('INR' or '₹') which is the functional currency of the Company, and all values are rounded to the nearest lakhs, except where otherwise indicated. Figures less than rupees five hundred are being presented as 0.00.

Entity specific disclosure of material accounting policies where Ind AS permits options is disclosed hereunder.

The Company has assessed the materiality of the accounting policy information which involves exercising judgements and considering both qualitative and quantitative factors by taking into account not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

Entity's conclusion that an accounting policy is immaterial does not affect the disclosures requirements set out in the accounting standards.

Accounting Policies have been consistently applied except where a newly- issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto adopted.

The financial statements for the year ended 31 March 2025 were authorized and approved for issue by the Board of Directors on 27 May 2025. The revisions to the financial statements are permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

**3. Recent accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31 March 2025, MCA notified new accounting standard Ind AS 117- Insurance Contracts, which has no impact on the company financial statements. Further the MCA has made certain amendments to Ind AS 116- Leases, in particularly related to sale and lease back transactions, which has an applicability from 1 April 2024, and has no significant impact on financial statements.

On 7 May 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after 1 April 2025. The Company is currently assessing the probable impact of these amendments on its financial statements.

**4. Basis of preparation**

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measure at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

**5. Summary of material accounting policies**

The financial statements have been prepared using the material accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

**5.1 Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**5.2 Revenue recognition**

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

*Revenue from sale of properties*

Revenue from sale of properties is recognized when the performance obligations are essentially complete. The performance obligations are considered to be complete when the property is ready to be transferred to the buyer





(occupancy certificate received from the issuing authority) i.e. offer for possession can be issued to the buyers by issuing the possession request letter.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total estimated cost exceeds total expected revenues from the contracts, the loss is recognized immediately.

#### *Revenue from sale of land*

Revenue from sale of land is recognised in the year in which the underlying agreements are executed and there exists no uncertainty in the ultimate collection of consideration from buyer.

#### *Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

#### *Revenue from facility maintenance services*

Revenue from facility maintenance services is recognized on accrual basis and billed to the respective customer, on a periodic basis.

#### *Service income*

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

### **5.3 Property, plant and equipment (PPE)**

#### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

Asset class	Useful life
Plant and equipment	12 - 15 years
Office equipment	5 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year.

#### *De-recognition*

An item of property, plant and equipment initially recognised is de-recognised 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 recognised in statement of profit and loss when the asset is derecognised.

#### 5.4 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

#### 5.5 Financial instruments

##### Financial assets

###### *Recognition and initial measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

###### *Subsequent measurement*

i. **Debt instruments at amortised cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- 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 amortised cost using the effective interest rate (EIR) method.

ii. **Mutual funds** – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

###### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

##### Financial liabilities

###### *Recognition and initial measurement – amortised cost*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

###### *Subsequent measurement – Amortised cost*

Subsequent to initial measurement, all financial liabilities are measured at amortised cost using the effective interest method.

###### *Recognition, initial and subsequent measurement – fair value*

A financial liability is classified as fair value through profit and loss ('FVTPL') if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured (initial and subsequent) at fair value and net gains/losses, including any interest expense are recognised in statement of profit and loss.

###### *De-recognition of financial liabilities*

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.





## 5.6 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward-looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

## 5.7 Inventories

Land other than that transferred to real estate properties under development is valued at lower of cost or net realizable value.

Real estate properties (developed and under development) includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

## 5.8 Employee benefits

### *Defined contribution plan*

The Company's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Company's contributions towards provident fund are deposited with the regional provident fund commissioner under a defined contribution plan.

### *Defined benefit plan*

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

### *Other long-term employee benefits*

The Company also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

### *Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## 5.9 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or





- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

#### **Onerous Contract**

A provision for onerous contracts is recognised in the statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

#### **5.10 Significant management judgement and estimates in applying accounting policies**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

##### *Significant management judgements*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

**Classification of leases** – The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

##### *Significant estimates*

**Revenue and inventories** – The estimates around total budgeted cost i.e. outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. The estimates of the saleable area are also reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined.

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



**SEPSET REAL ESTATE LIMITED**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

*All amount in ₹ lakhs, unless otherwise stated*

**Note-6**

**Property, plant and equipment**

<b>Tangible Assets</b>	<b>Plant and machinery</b>	<b>Office equipment</b>	<b>Computers</b>	<b>Furniture and fixtures</b>	<b>Total</b>
<b>Gross carrying amount</b>					
Opening balance as at 01 April 2023	146.02	1.91	2.32	5.49	155.74
Additions	-	-	5.05	-	5.05
Disposals/assets written off	(0.19)	(1.67)	(2.32)	(5.49)	(9.67)
<b>Balance as at 31 March 2024</b>	<b>145.83</b>	<b>0.24</b>	<b>5.05</b>	<b>-</b>	<b>151.12</b>
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.54</b>	<b>3.54</b>
<b>Disposals/assets written off</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2025</b>	<b>145.83</b>	<b>0.24</b>	<b>5.05</b>	<b>3.54</b>	<b>154.66</b>
<b>Accumulated depreciation</b>					
Opening balance as at 01 April 2023	54.19	1.69	2.31	4.96	63.15
Charge for the year	9.72	0.05	0.48	0.36	10.61
Adjustments for disposals	(0.17)	(1.67)	(2.32)	(5.32)	(9.49)
<b>Balance as at 31 March 2024</b>	<b>63.74</b>	<b>0.07</b>	<b>0.46</b>	<b>-</b>	<b>64.27</b>
Charge for the year	9.72	0.05	1.68	0.25	11.70
Adjustments for disposals	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>73.46</b>	<b>0.12</b>	<b>2.14</b>	<b>0.25</b>	<b>75.97</b>
<b>Net carrying value as at 31 March 2024</b>	<b>82.09</b>	<b>0.17</b>	<b>4.59</b>	<b>-</b>	<b>86.86</b>
<b>Net carrying value as at 31 March 2025</b>	<b>72.37</b>	<b>0.12</b>	<b>2.91</b>	<b>3.29</b>	<b>78.69</b>





All amount in ₹ lakhs, unless otherwise stated

	As at 31 March 2025	As at 31 March 2024
<b>Note - 7</b>		
<b>Other financial assets- non-current</b>		
<b>(Unsecured, considered good)</b>		
Security deposits	6.89	17.73
	<u>6.89</u>	<u>17.73</u>
<b>Note - 8</b>		
<b>Non-current tax assets, net</b>		
Advance income tax, including tax deducted at source	30.99	59.03
	<u>30.99</u>	<u>59.03</u>
<b>Note - 9</b>		
<b>Inventories</b>		
<b>A. Real estate properties - developed (at cost)</b>		
Cost of developed properties	23,540.34	23,340.22
Less: Cost of revenue recognized till date	(11,515.42)	(10,087.94)
	<u>12,024.92</u>	<u>13,252.28</u>
<b>B. Construction materials in stock</b>	3.00	9.34
<b>C. Provision for onerous contracts*</b>	(965.97)	-
	<u>11,061.95</u>	<u>13,261.62</u>

\*During the financial year ended 31 March 2025, the Company has assessed the financial viability of its ongoing real estate development project as an onerous contract in accordance with Indian Accounting Standard (Ind AS) 37 – Provisions, Contingent Liabilities and Contingent Assets. Due to adverse market conditions, escalated construction costs, and a reduction in expected sales revenue from the project, the unavoidable costs of fulfilling the contractual obligations under the project exceed the expected economic benefits. Accordingly, the company has recognized a provision of ₹ 965.97 lakhs for onerous contracts on the project.

**Note - 10**
**Trade receivables\***

Considered good - Unsecured	835.67	490.41
Considered doubtful - which have significant increase in Credit Risk	54.52	-
Less: Provision for doubtful trade receivables	(28.12)	-
	<u>862.07</u>	<u>490.41</u>

\*Trade receivables are pledge against the non-convertible debentures issued by a fellow subsidiary company Tapir Constructions Limited.

**As at 31 March 2025**

Particulars	Less than 6 months	6 months to 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	-	158.08	672.99	4.59	-	835.67
(ii) Undisputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	54.52	54.52
Less: Provision for doubtful trade receivables	-	-	-	-	(28.12)	(28.12)
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-
(v) Disputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-



	As at 31 March 2025	As at 31 March 2024
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As at 31 March 2024

Particulars	Less than 6 months	6 months to 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	167.30	279.63	23.47	14.73	5.28	490.41
(ii) Undisputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-
(v) Disputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-

**Note - 11****Cash and cash equivalents**

Cash on hand

Balances with banks

In current accounts

	6.62	30.09
	<u>6.62</u>	<u>30.09</u>

**Note - 12****Other bank balances**

Bank deposits\*

with maturity of more than three months and upto twelve months

Interest Accrued on bank deposits

	5.00	5.00
	0.06	0.06
	<u>5.06</u>	<u>5.06</u>

\* Fixed deposits of ₹ 5.00 lakh (excluding accrued interest) (31 March 2024: ₹ 5.00 lakh (excluding accrued interest) has been marked as lien towards fire NOC for project to Municipal Corporation of Jodhpur.

**Note - 13****Loans - Current****Considered good - Unsecured**

Inter-corporate loans to related parties (refer note 46)

	16,233.50	316.00
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**Credit impaired**

Inter-corporate loans to related parties (refer note 46)

	326.01	-
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	<u>16,559.51</u>	<u>316.00</u>
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Less: Impairment for loans (expected credit loss)

	(326.01)	-
	<u>16,233.50</u>	<u>316.00</u>

**Note - 14****Other current assets****(Unsecured, considered good)**

Advance to suppliers/service providers

	522.83	482.18
--	--------	--------

Mobilization advances

	6.25	6.25
--	------	------

Prepaid expenses

	4.19	11.54
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Balances with statutory authorities

	125.20	4.78
--	--------	------

	<u>658.47</u>	<u>504.75</u>
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All amount in ₹ lakhs, unless otherwise stated

	As at 31 March 2025		As at 31 March 2024	
	Number	Amount	Number	Amount
<b>Note - 15</b>				
<b>Equity share capital</b>				
<b>i Authorised</b>				
Equity share capital of face value of ₹ 10 each	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00
<b>ii Issued, subscribed and fully paid up</b>				
Equity share capital of face value of ₹ 10 each fully paid up	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00
<b>iii Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the year</b>				
<b>Equity shares</b>				
Balance at the beginning of the year	50,000	5.00	50,000	5.00
Add: Issued during the year	-	-	-	-
Less: Redeemed during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5.00</b>
<b>iv Rights, preferences and restrictions attached to equity shares</b>				
The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Company's residual assets.				
<b>v 50,000 (previous year 50,000) equity shares of the Company is held by holding company namely Embassy Developments Limited (formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited) and its nominees.</b>				

**vi Details of shareholder holding more than 5% share capital**

Name of the equity shareholder	Number of shares	Number of shares
Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited) (including nominee shares)	50,000	50,000

**vii Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters as at 31 March 2025 is as follows :

Promoter Name	Share Held by Promoters			
	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% Total of Shares	Number of shares	% Total of Shares
Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited) (including nominee shares)	50,000	100	50,000	100
<b>Total</b>	<b>50,000</b>	<b>100</b>	<b>50,000</b>	<b>100</b>

Disclosure of shareholding of promoters as at 31 March 2024 is as follows :

Promoter Name	Share Held by Promoters			
	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% Total of Shares	Number of shares	% Total of Shares
Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited) (including nominee shares)	50,000	100	-	-
Lorita Developers Limited (including nominee shares)	-	-	50,000	100
<b>Total</b>	<b>50,000</b>	<b>100</b>	<b>50,000</b>	<b>100</b>

viii Company does not have any shares issued for consideration other than cash during the immediately preceding five years. Company did not buy back any shares during immediately preceding five years.



All amount in ₹ lakhs, unless otherwise stated

	As at 31 March 2025	As at 31 March 2024	
<b>Note - 16</b>			
<b>A Other financial liabilities - non current</b>			
Security deposits	71.83	14.36	
Ind AS adjustment for security deposits*	(13.88)	(4.40)	
	<u>57.95</u>	<u>9.96</u>	
*The Ind AS adjustment for security deposits relates to difference of present value of lease related security deposits received and actual amount received. This will be charged to statement of profit and loss on effective interest rate method over the tenure of lease.			
<b>B Other financial liabilities - current</b>			
Security deposits	-	97.75	
Accrued employee benefits	0.19	0.38	
Expenses payable to Related Party	0.01	-	
Others	173.36	147.23	
	<u>173.56</u>	<u>245.36</u>	
<b>Note - 17</b>			
<b>A Provisions - non-current</b>			
Provision for employee benefits:			
Gratuity (refer note 44)	13.27	10.17	
Compensated absences (refer note 44)	5.60	2.57	
	<u>18.87</u>	<u>12.74</u>	
<b>B Provisions - current</b>			
Provision for employee benefits:			
Gratuity (refer note 44)	0.35	0.28	
Compensated absences (refer note 44)	0.16	0.07	
	<u>0.51</u>	<u>0.35</u>	
<b>Note - 18</b>			
<b>Deferred tax liabilities, net</b>			
Deferred tax liabilities arising on account of:			
Depreciation and amortisation	4.63	4.75	
Deferred tax assets arising on account of:			
Provision of employee benefits	(4.88)	(3.29)	
	<u>(0.25)</u>	<u>1.46</u>	
Caption wise movement in deferred tax liabilities as follows:			
<b>Particulars</b>	<b>01 April 2024</b>	<b>Recognised /reversed in</b>	<b>31 March 2025</b>
<b>Deferred tax liabilities arising on:</b>			
Property, plant and equipment and intangible assets	4.75	(0.12)	4.63
<b>Deferred tax assets arising on:</b>			
Employee benefits	(3.29)	(1.59)	(4.88)
<b>Total</b>	<b>1.46</b>	<b>(1.71)</b>	<b>(0.25)</b>
<b>Particulars</b>	<b>01 April 2023</b>	<b>Recognised /reversed in</b>	<b>31 March 2024</b>
<b>Deferred tax liabilities arising on:</b>			
Property, plant and equipment and intangible assets	4.56	0.19	4.75
<b>Deferred tax assets arising on:</b>			
Employee benefits	(2.58)	(0.71)	(3.29)
<b>Total</b>	<b>1.98</b>	<b>(0.52)</b>	<b>1.46</b>
<b>Note - 19</b>			
<b>Other non-current liabilities</b>			
Ind AS adjustment for security deposits*	14.17	4.37	
	<u>14.17</u>	<u>4.37</u>	
* The Ind AS adjustment for security deposit relates to difference of present value of lease related security deposits received and actual amount received. This will be recognized to statement of profit and loss over the lease period using straight line method value.			
<b>Other current liabilities</b>			
Advances from customers	2,039.26	2,523.90	
Payable to Statutory Authorities	19.71	20.23	
	<u>2,058.97</u>	<u>2,544.13</u>	





All amount in ₹ lakhs, unless otherwise stated

	As at 31 March 2025	As at 31 March 2024
<b>Note - 20</b>		
<b>Borrowing- current</b>		
<b>Unsecured loans</b>		
Loans and advances from related parties*	17,335.86	19,843.71
Non convertible debentures from related parties (refer note (i) below)**	20,000.00	-
20,00,00,000 (31 March 2024: Nil) 0.0001% Non convertible debentures of face value of ₹ 10 each to Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)*		
	<u>37,335.86</u>	<u>19,843.71</u>

**Repayment terms and rate of interest:\***

This loan does not carry any coupon and are interest free and repayable on demand.

\*\*During the year ended 31 March 2025, the company has issued 20,00,00,000 non convertible debentures of face value of ₹ 10 each, bearing interest rate of 0.0001% per annum with tenure of 10 years from the date of allotment. These debentures are redeemable anytime before the expiry of 10 years at the option of issuer as well as investor.

**Note - 21****Trade payables -current**

Due to micro and small enterprises*	1.24	7.24
Due to related parties	214.14	733.70
Due to others	274.59	171.84
Retention money	201.87	293.98
	<u>691.84</u>	<u>1,206.76</u>

**Trade Payables ageing as at 31 March 2025**

Particulars	Outstanding for the year ended 31 March 2025					Total
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) MSME	-	1.24	-	-	-	1.24
(ii) Other than MSME	201.87	455.71	21.76	4.12	7.14	690.60
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-

**Trade Payables ageing as at 31 March 2024**

Particulars	Outstanding for the year ended 31 March 2024					Total
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) MSME	-	7.24	-	-	-	7.24
(ii) Other than MSME	293.98	889.76	6.14	1.97	7.67	1,199.52
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at:

Particulars	31 March 2025 (₹)	31 March 2024 (₹)
i) the principal amount remaining unpaid to any supplier as at the end of each accounting year;	1.24	7.24
ii) Interest due thereon	Nil	Nil
iii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
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) but without adding the interest specified under this Act;	Nil	Nil
v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.



Sepset Real Estate Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

	<i>All amount in ₹ lakhs, unless otherwise stated</i>	
	<u>For the year ended 31 March 2025</u>	<u>For the year ended 31 March 2024</u>
<b>Note - 22</b>		
<b>Revenue from operations</b>		
Revenue from real estate properties	1,300.82	4,624.49
Income from maintenance services	382.38	564.49
Interest from customers on overdue balances	18.95	13.43
Service and forfeiture receipts	145.55	24.55
	<u>1,847.70</u>	<u>5,226.96</u>
<b>Note - 23</b>		
<b>Other income</b>		
Balance written back	0.29	2.65
Interest income on fixed deposits	0.35	0.34
Interest income on security deposits	3.83	0.17
Interest income on income tax refund	1.60	-
Miscellaneous income	1.01	2.78
	<u>7.08</u>	<u>5.94</u>
<b>Note - 24</b>		
<b>Cost of revenue</b>		
Cost incurred during the year	193.78	392.24
(Increase)/decrease in real estate project under development		
Opening stock	13,261.62	16,175.79
Closing stock	(12,027.91)	(13,261.62)
Operating Expenses	<u>1,220.28</u>	<u>780.54</u>
	<u>2,647.77</u>	<u>4,086.95</u>
<b>Note - 25</b>		
<b>Employee benefits expense</b>		
Bonus and ex-gratia	11.80	3.64
Contribution to provident fund	1.41	-
Gratuity and leave encashment (Refer note 44)	5.34	2.37
Salaries and wages	77.60	52.64
Staff welfare expenses	0.02	0.03
	<u>96.17</u>	<u>58.68</u>
<b>Note - 26</b>		
<b>Finance costs</b>		
Interest expense on debentures	0.01	-
Interest expenses on taxation	-	2.50
Interest on security deposit	4.15	0.14
	<u>4.16</u>	<u>2.64</u>





*All amount in ₹ lakhs, unless otherwise stated*

	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Note - 27</b>		
<b>Other expenses</b>		
Advertisement expenses	-	19.63
Auditor's remuneration - as auditor (refer note (i) below)	5.90	0.24
Balance written off	0.11	1.70
Bank charges	0.01	0.01
Brokerage and marketing expenses	44.33	18.24
Business support expenses	-	577.61
Communication expenses	0.04	0.03
Travelling and conveyance expenses	4.08	3.17
Customer incentive and other charges	4.39	76.54
Insurance expenses	7.35	-
Legal and professional charges	15.88	8.50
Loss on sale /written off of property, plant and equipment	-	0.18
Miscellaneous expenses	0.01	0.36
Provisions for bad and doubtful debts	28.12	-
Rates and taxes	2.85	1.81
Rent expenses	0.62	-
	<b>113.69</b>	<b>708.02</b>

**(i) Details of Auditor's remuneration**

<b>Auditor's remuneration</b>		
Audit fee	5.90	0.24
	<b>5.90</b>	<b>0.24</b>

**Note - 28**

**Income tax**

**Tax expense comprises of:**

Current tax (including earlier year tax)	0.02	0.01
Deferred tax charge/(credit)	(1.71)	(0.52)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(1.69)</b>	<b>(0.51)</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and previous year 25.168% and the reported tax expense in profit or loss are as follows:

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

Accounting profit/(loss) before tax from continuing operations	(2,310.69)	366.00
<b>Accounting profit/(loss) before income tax</b>	<b>(2,310.69)</b>	<b>366.00</b>
Effective tax rate	25.168%	25.168%
At India's statutory income tax rate	(581.55)	92.12

**Tax effect of amounts which are not deductible (taxable) in calculating taxable income:**

Tax impact on account of brought forward losses setoff	247.84	(92.80)
Deferred tax charge	(1.71)	(0.52)
Adjustment of tax relating to earlier periods	0.02	0.01
Others	334.19	0.69
	<b>(1.21)</b>	<b>(0.51)</b>

The company has unabsorbed business losses of ₹ 5,588.52 lakhs (31 March 2024: ₹ 2,219.77 lakhs) on which no deferred tax asset is created as there is no convincing evidence which demonstrates probability of realization of deferred tax asset in the near future.



*All amount in ₹ lakhs, unless otherwise stated***For the year ended  
31 March 2025****For the year ended  
31 March 2024****Note - 29****Earnings per share (EPS)**

The Company's Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

<b>Profit/(loss) attributable to equity holders for basic earnings</b>	(2,309.00)	366.51
<b>Profit/(loss) attributable to equity holders adjusted for the effect of dilution</b>	(2,309.00)	366.51
<b>Weighted average number of equity shares for basic earnings</b>	50,000	50,000
<b>Weighted average number of equity shares adjusted for the effect of dilution*</b>	50,000	50,000

\*No transaction is there which have impacted the calculation of weighted average number of shares. No other transaction involving Equity shares or potential Equity shares is there between the reporting date and the date of authorisation of these financial statements.

**Earnings per equity share**

<b>(1) Basic (₹)</b>	(4,618.00)	733.00
<b>(2) Diluted (₹)</b>	(4,618.00)	733.00





All amount in ₹ lakhs, unless otherwise stated

Note - 30

A) Financial Instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31 March 2025			31 March 2024		
	FVTPL (See note 1 below)	FVOCI (See note 2 below)	Amortised cost	FVTPL (See note 1 below)	FVOCI (See note 2 below)	Amortised cost
<b>Financial assets</b>						
Trade receivables (net of provision)	-	-	862.07	-	-	490.41
Loans (net of impairment)	-	-	16,233.50	-	-	316.00
Cash and cash equivalents	-	-	6.62	-	-	30.09
Other bank balances	-	-	5.06	-	-	5.06
Other financial assets	-	-	6.89	-	-	17.73
<b>Total financial assets</b>	-	-	<b>17,114.14</b>	-	-	<b>859.29</b>

Notes

- These financial assets are mandatorily measured at fair value through profit and loss.
- These financial assets represent investments in equity instruments designated as such upon initial recognition.

Particulars	31 March 2025			31 March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings (including interest accrued)	-	-	37,335.86	-	-	19,843.71
Trade payables	-	-	691.84	-	-	1,206.76
Other financial liabilities	-	-	231.51	-	-	255.32
<b>Total financial liabilities</b>	-	-	<b>38,259.21</b>	-	-	<b>21,305.79</b>

B) Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

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

Company does not have any financial assets and financial liabilities that are required to be measured at fair value so no analysis has been shown for fair value measurements.

ii) Financial instruments measured at amortised cost

Financial instruments measured at amortised cost for which the carrying value is the fair value.



## Note - 31

**Financial risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The company's risk management is carried out by the board of directors. The board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the company. The company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortized cost. The company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk controls.

**a) Credit risk management**

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Entity classifies its financial assets into the following categories based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

**Assets under credit risk –**

Credit rating	Particulars	31 March 2025	31 March 2024
A	Cash and Cash Equivalents	6.62	30.09
A	Trade receivables	835.67	490.41
B	Trade receivables	54.52	-
A	Other bank balances	5.06	5.06
A	Loans	16,233.50	316.00
C	Loans	326.01	-
A	Other financial assets	6.89	17.73

The risk parameters are same for all financial assets for all period presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**b) Credit risk exposure****Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets:

**As at 31 March 2025**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6.62	-	6.62
Other bank balances	5.06	-	5.06
Trade receivables	890.19	28.12	862.07
Loans	16,559.51	326.01	16,233.50
Other financial assets	6.89	-	6.89

**As at 31 March 2024**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	30.09	-	30.09
Other bank balances	5.06	-	5.06
Trade receivables	490.41	-	490.41
Loans	316.00	-	316.00
Other financial assets	17.73	-	17.73

**Expected credit loss for trade receivables under simplified approach**

The Company's has recognized provision for expected credit loss on trade receivables, which are outstanding for a significant period. The company does not have any expected credit loss for remaining trade receivables as registry of properties sold is generally carried out once the Company receives the entire payment. During the periods presented, the Company made no write-offs of trade receivables and no recoveries from receivables previously written off.





*All amount in ₹ lakhs, unless otherwise stated***Expected credit loss for loans**

The Company's has recognized provision for expected credit loss on loans, which are not expected to be received in near future, based on the analysis made of the financial position of borrowers. During the periods presented, the Company made no write-offs of loans and no recoveries from loans previously written off.

**(B) Liquidity risk**

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Company also have an option to arrange funds by taking loans and borrowing from Holding Company/Ultimate Holding Company/Fellow Subsidiary company. Accordingly no liquidity risk is being perceived.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	More than 4 years	Total
<b>Non-derivatives</b>						
Borrowings	37,335.86	-	-	-	-	37,335.86
Trade Payables	691.84	-	-	-	-	691.84
Other Financial Liabilities	231.51	-	-	-	-	231.51
<b>Total</b>	<b>38,259.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,259.21</b>

31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	More than 4 years	Total
<b>Non-derivatives</b>						
Borrowings	19,843.71	-	-	-	-	19,843.71
Trade Payables	1,206.76	-	-	-	-	1,206.76
Other Financial Liabilities	255.32	-	-	-	-	255.32
<b>Total</b>	<b>21,305.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,305.79</b>

**(C) Market risk****Foreign exchange risk**

Company does not have any foreign currency risks and therefore sensitivity analysis has not been shown.

**Interest rate risk**

There are no variable rate borrowings hence no sensitivity exist for interest rates change.

**Price risk**

Company does not have any price risk



## Note - 32

## Revenue related disclosures

## A Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Revenue from contracts with customers</b>		
Revenue from real estate properties	1,300.82	4,624.49
Income from maintenance services	382.38	564.49
<b>Total revenue covered under Ind AS 115</b>	<b>1,683.20</b>	<b>5,188.98</b>

## B Contract balances

The following table provides information about receivables, assets and contract liabilities from contract with customers:

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Contract liabilities</b>		
Advance from customers	2,039.26	2,523.90
<b>Total contract liabilities</b>	<b>2,039.26</b>	<b>2,523.90</b>
<b>Receivables</b>		
Trade receivables	862.07	490.41
<b>Total receivables</b>	<b>862.07</b>	<b>490.41</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

## C Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	2,523.90	4,638.22
Addition/(refund) during the year	(45.89)	2,019.76
Adjustment on account of revenue recognised during the year	(438.75)	(4,134.08)
Closing balance	2,039.26	2,523.90

D The aggregate amount of transaction price allocated to the unsatisfied performance obligations as at 31 March 2025 is ₹ 2,039.26 lakhs (31 March 2024 : ₹ 2,523.90 lakhs) This balance represents the advance received from customers (gross) against real estate properties under development. The management expects to further bill and collect the remaining balance of total consideration in the coming years. These balances will be recognized as revenue in future years as per the policy of the Company.

## E Reconciliation of revenue from sale of properties and maintenance income with contract revenue:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Contract revenue	1,300.82	4,624.49
Income from maintenance services	382.38	564.49
<b>Revenue recognised</b>	<b>1,683.20</b>	<b>5,188.98</b>





**Sepset Real Estate Limited****Summary of material accounting policies and other explanatory information for the year ended 31 March 2025***All amount in ₹ lakhs, unless otherwise stated***Note - 33****Details with respect to the Benami properties**

No proceedings have been initiated or pending against the entity under the Benami Transactions (Prohibitions) Act, 1988 for the year ended 31 March 2025 and 31 March 2024.

**Note - 34****Undisclosed income**

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year ended 31 March 2025 and 31 March 2024 in the tax assessments under Income Tax Act, 1961.

**Note - 35****Details of Crypto Currency or Virtual Currency**

Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the year ended 31 March 2025 and 31 March 2024
Amount of currency held as at the reporting date	No transaction during the year ended 31 March 2025 and 31 March 2024
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the year ended 31 March 2025 and 31 March 2024

**Note - 36****Ratio Analysis**

The following are analytical ratios for the year ended 31 March 2025 and 31 March 2024

Particulars	Numerator	Denominator	31 March 2025	31 March 2024	Variance
Current Ratio	Current Assets	Current Liabilities	0.72	0.61	17.33%
Debt Equity Ratio**	Total Debts	Shareholder's Equity	(3.27)	(2.18)	50.05%
Debt Service Coverage Ratio***	Earnings available for debt services	Debt Service	NA	NA	NA
Return on Equity (ROE)*	Net Profit After Taxes	Average Share holder's Equity	0.23	(0.04)	(670.27%)
Trade Receivables turnover ratio*	Revenue	Average Trade Receivable	2.73	19.88	(86.25%)
Trade Payables turnover ratio*	Purchase of services and other expenses	Average Trade Payable	2.79	4.97	(43.90%)
Return of Capital Employed (ROCE)*	Earning before interest taxes	Capital Employed	0.20	(0.04)	(598.99%)
Inventory turnover ratio	Cost of Goods sold	Average Inventory	0.22	0.28	(21.59%)
Net Capital Turnover Ratio*	Revenue	Working Capital	(0.16)	(0.57)	(71.45%)
Net Profit Ratio*	Net profit	Revenue	(1.25)	0.07	(1882.20%)
Return on investment#	Income generated from Investment	Time Weighted Average Investment	NA	NA	NA

\*In the real estate business, revenue along with the corresponding cost to sales is recognised on the point in time basis and hence, the increase and decrease will not be directly ascertained on the basis of increase/decrease in business. Accordingly, the current year ratios are not comparable with previous year.

# Since this is not an investment company.

\*\* Due to increase in current borrowings

\*\*\*Ratio can not be calculated due to no long term borrowing in current year as well as in previous year.

**Note - 37****Wilful Defaulter:**

No bank or financial institution has declared the company as "Wilful defaulter" during the year ended 31 March 2025 and 31 March 2024.



## Note - 38

**Details in respect of Utilization of Borrowed funds and share premium:**

During the year ended 31 March 2025 and 31 March 2024 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

During the year ended 31 March 2025 the Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, except details given below:

**Details of funds received**

Details of funding providers	Amount (₹ in lakhs)	Nature of transaction	Purpose
Holding Company (refer note 46)	15,917.50	Non- convertible debentures issued	To fund working capital requirement of subsidiary companies

  

Beneficiaries	Amount (₹ in lakhs)	Nature of transaction	Purpose
Fellow subsidiary companies (refer note 46)	15,917.50	Loans and advances given (net of amount received back) (on various dates)	To fund working capital requirement of fellow subsidiaries

During the financial year ended on 31 March 2024, no funds were received for given of this nature.

For abovementioned transactions the company has complied with applicable rules and regulation of the Companies Act, 2013.

## Note - 39

**Relationship with Struck off Companies:**

No transaction has been made with the company struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2025 and 31 March 2024.

## Note - 40

**Registration of charges or satisfaction with Registrar of Companies:**

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending for the year ended 31 March 2025 and 31 March 2024.

## Note - 41

**Compliance with number of layers of companies:**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 and no layers of companies has been established beyond the limit prescribed as per above said section / rules, during the year ended 31 March 2025 and 31 March 2024.

## Note - 42

**Loans or advances granted to the promoters, directors, KMPs and the related parties:**

Loans or advances in the nature of loans are granted to the promoters, directors, key managerial persons and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the year ended 31 March 2025 and 31 March 2024, that are repayable on demand :-

Particular	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Type of Borrower	Amount of Loan or advance in the nature of loan outstanding (₹ in lakhs)	Amount of Loan or advance in the nature of loan outstanding (₹ in lakhs)	Percentage to the total Loans and advances in natures of loans(%)	Percentage to the total Loans and advances in natures of loans (%)
Related Parties (refer note 46)	16,559.51	316.00	100.00%	100.00%
<b>Total</b>	<b>16,559.51</b>	<b>316.00</b>	<b>100.00%</b>	<b>100.00%</b>





## Note – 43

## Capital management

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by reviewing its net debt position, where net debt is equal to non-current borrowing (including current maturities of non-current borrowings) and short-term borrowing net of cash and cash equivalent and other bank balances.

## Note – 44

## Employee benefits

Defined Benefit Plan

The Company has the following Defined Benefit Plans:

- Gratuity (Unfunded)
- Compensated absences (Unfunded)

## Risks associated with plan provisions

Discount rate risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality risk	Actual death & liability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary risk	Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawal risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Compensated absences

The leave obligations cover the Company's liability for sick and earned leaves. The amount of provision of ₹ 0.16 lakhs (31 March 2024 - ₹ 0.07 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

## Actuarial (Gain)/Loss on obligation:

	31 March 2025	31 March 2024
Actuarial (gain)/loss on arising from change in demographic assumptions	-	-
Actuarial (gain)/loss on arising from change in financial assumptions	0.06	(0.05)
Actuarial (gain)/loss on arising from change in experience assumptions	(0.28)	(0.07)

## Amount recognized in the statement of profit and loss is as under:

	31 March 2025	31 March 2024
Service cost	3.14	0.37
Net Interest cost	0.19	0.15
Actuarial (gain)/loss for the year	(0.21)	0.12
<b>Expense recognized in the statement of profit and loss</b>	<b>3.12</b>	<b>0.64</b>



Movement in the liability recognized in the balance sheet is as under:

	31 March 2025	31 March 2024
Present value of defined benefit obligation at the beginning of the year	2.64	2.00
Present value of defined benefit obligation received for employees transferred to the Company	-	-
Current service cost	3.14	0.37
Interest cost	0.19	0.15
Actuarial (gain)/loss, net	(0.21)	0.12
Benefits paid	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>5.76</b>	<b>2.64</b>
- Current	0.16	0.07
- Non-Current	5.60	2.57

For determination of the liability of the Company, the following actuarial assumptions were used:

Particulars	Compensated absences	
	31 March 2025	31 March 2024
Discount rate	7.15%	7.22%
Salary escalation rate	5.00%	5.00%
Mortality table	Indian Assured	Indian Assured
	Lives Mortality (2012-14)	Lives Mortality (2012-14)

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

#### Maturity plan of Defined Benefit Obligation

	Year	31 March 2025	Year	31 March 2024
a)	April 2025 - March 2026	0.16	April 2024 - March 2025	0.07
b)	April 2026 - March 2027	0.12	April 2025 - March 2026	0.06
c)	April 2027 - March 2028	0.10	April 2026 - March 2027	0.05
d)	April 2028 - March 2029	0.09	April 2027 - March 2028	0.05
e)	April 2029 - March 2030	0.07	April 2028 - March 2029	0.04
f)	April 2030 - March 2031	0.86	April 2029 - March 2030	0.04
g)	April 2031 onwards	4.36	April 2030 onwards	2.33

#### Sensitivity analysis for compensated absences liability

		31 March 2025	31 March 2024
<b>Impact of the change in discount rate</b>			
	Present value of obligation at the end of the year	5.76	2.64
a)	Impact due to increase of 0.50 %	(0.37)	(0.17)
b)	Impact due to decrease of 0.50 %	0.40	0.19
<b>Impact of the change in salary increase</b>			
	Present value of obligation at the end of the year	5.76	2.64
a)	Impact due to increase of 0.50 %	0.41	0.19
b)	Impact due to decrease of 0.50 %	(0.38)	(0.18)

Sensitivities due to mortality and withdrawal are not material & hence impact of change not calculated.





**Sepset Real Estate Limited**
**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025**
*All amount in ₹ lakhs, unless otherwise stated*
**Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan.

**Actuarial gain/(loss) recognized in other comprehensive income**

	31 March 2025	31 March 2024
Actuarial (gain)/loss on arising from change in demographic assumptions	-	-
Actuarial (gain)/loss on arising from change in financial assumptions	0.37	0.18
Actuarial (gain)/loss on arising from change in experience assumptions	0.57	0.28

**Amount recognized in the statement of profit and loss is as under:**

	31 March 2025	31 March 2024
Service cost	1.46	1.12
Net Interest cost	0.75	0.61
<b>Expense recognized in the statement of profit and loss</b>	<b>2.21</b>	<b>1.73</b>

**Movement in the liability recognized in the balance sheet is as under:**

	31 March 2025	31 March 2024
Present value of defined benefit obligation at the beginning of the year	10.45	8.26
Present value of defined benefit obligation received for employees transferred to the Company	-	-
Current service cost	1.46	1.12
Interest cost	0.76	0.61
Actuarial (gain)/loss, net	0.95	0.46
Benefits paid	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>13.62</b>	<b>10.45</b>
- Current	0.35	0.28
- Non- Current	13.27	10.17

Particulars	Gratuity	
	31 March 2025	31 March 2024
Discount rate	6.99%	7.22%
Salary escalation rate	5.00%	5.00%
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**Maturity plan of Defined Benefit Obligation**

	Year	31 March 2025	Year	31 March 2024
a)	April 2025 - March 2026	0.35	April 2024 - March 2025	0.28
b)	April 2026 - March 2027	0.27	April 2025 - March 2026	0.21
c)	April 2027 - March 2028	0.25	April 2026 - March 2027	0.21
d)	April 2028 - March 2029	0.22	April 2027 - March 2028	0.19



**Sepset Real Estate Limited**
**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025**
*All amount in ₹ lakhs, unless otherwise stated*

e)	April 2029 - March 2030	0.19	April 2028 - March 2029	0.17
f)	April 2030 - March 2031	3.36	April 2029 - March 2030	0.14
g)	April 2031 onwards	8.98	April 2030 onwards	9.25

**Sensitivity analysis for gratuity**

		31 March 2025	31 March 2024
<b>Impact of the change in discount rate</b>			
	Present value of obligation at the end of the year	13.62	10.45
a)	Impact due to increase of 0.50 %	(0.79)	(0.61)
b)	Impact due to decrease of 0.50 %	0.86	0.66
<b>Impact of the change in salary increase</b>			
	Present value of obligation at the end of the year	13.62	10.45
a)	Impact due to increase of 0.50 %	0.87	0.67
b)	Impact due to decrease of 0.50 %	(0.80)	(0.62)

Sensitivities due to mortality and withdrawal are not material & hence impact of change not calculated.

**Note – 45**
**Provident Fund**

The Hon'ble Supreme Court of India has passed a judgement dated 28 February 2019 and it was held that basic wages, for the purpose of provident fund, to include allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Currently, the Company has not considered any impact in these financial statements.

**Note – 46**
**Related party transactions**
**a) Name and nature of relationship with related parties:**

Relationship	Name of the related parties
Related parties exercising control	Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited) till 26 March 2024
Ultimate Holding Company	
Holding Company	Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited) w.e.f 27 March 2024 Lorita Developers Limited till 26 March 2024
Other related parties	
Fellow Subsidiaries	Devona Constructions Limited (formerly known as Indiabulls Constructions Limited) Indiabulls Projects Limited Ceres Estate Limited Devona Developers Limited Tapir Constructions Limited Sky Forest Projects Private Limited (formerly known as Indiabulls Properties Private Limited) Ceres Construction Limited Ceres Infrastructure Limited Diana Infrastructure Limited Makala Infrastructure Limited Pama Constructions Limited Pama Estate Limited Juventus Land Development Limited Lucina Buildwell Limited Zeus Properties Limited Airmid Properties Limited Citra Properties Ltd Corus Real Estate Limited Varali Developers Limited





**Sepset Real Estate Limited**
**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025**
*All amount in ₹ lakhs, unless otherwise stated*

Other enterprises under the control or significant influence of Key Management Personnel of the holding company and/ or their relatives*	Embassy Services Private Limited (w.e.f. 24 January 2025)
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\* With whom transactions have been made during the year.

**b) Statement of material transaction with related parties:**

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
<b>Loans &amp; advances taken / (repaid), net</b>		
<b>Holding company:</b>		
Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)	(4,059.93)	4,059.93
<b>Fellow Subsidiaries:</b>		
Devona Constructions Limited (Formerly known as Indiabulls Constructions Limited)	-	(4,585.23)
Sky Forest Projects Private Limited (formerly known as Indiabulls Properties Private Limited)	1650.00	-
Indiabulls Projects Limited	(4.02)	(29.49)
Ceres Estate Limited	(88.20)	(206.05)
Devona Developers Limited	(5.70)	(218.23)
<b>Loans &amp; advances (given) / received back, net</b>		
<b>Fellow Subsidiaries:</b>		
Tapir Constructions Limited	(701.47)	(316.00)
Ceres Construction Limited	(359.12)	-
Ceres Infrastructure Limited	(353.27)	-
Diana Infrastructure Limited	(634.20)	-
Makala Infrastructure Limited	(4,106.34)	-
Farna Constructions Limited	(403.61)	-
Farna Estate Limited	(547.71)	-
Juventus Land Development Limited	(326.01)	-
Lucina Buildwell Limited	(949.55)	-
Zeus Properties Limited	(528.78)	-
Airmid Properties Limited	(673.17)	-
Citra Properties Limited	(5,927.74)	-
Corus Real Estate Limited	(320.10)	-
Varali Developers Limited	(412.43)	-
<b>Non-Convertible Debenture issue/(redeem), net</b>		
<b>Holding Company:</b>		
Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)	20,000.00	-
<b>Other enterprises under the control or significant influence of Key Management Personnel of the holding company and/ or their relatives</b>		
<b>Technical and management fees</b>		
Embassy Services Private Limited	443.75	-



**Sepset Real Estate Limited**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

*All amount in ₹ lakhs, unless otherwise stated*

<b>Interest expenses on non-convertible debenture</b>		
<b>Holding company:</b>		
- Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)	0.01	-
<b>Business Support Expenses</b>		
<b>Holding company:</b>		
- Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)	345.33	577.61
<b>Project Management Consultancy Expenses</b>		
<b>Holding company:</b>		
- Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)	-	168.74

**c) Statement of balances outstanding:**

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>Loans &amp; advances from</b>		
<b>Holding company:</b>		
Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)	-	4,059.93
<b>Fellow Subsidiaries:</b>		
Indiabulls Projects Limited	1,947.29	1,951.31
Sky Forest Projects Private Limited (formerly known as Indiabulls Properties Private Limited)	1,650.00	-
Ceres Estate Limited	13,182.30	13,270.50
Devona Developers Limited	556.27	561.97
<b>Loans &amp; advances to</b>		
<b>Fellow Subsidiaries:</b>		
Tapir Constructions Limited	1017.47	316.00
Ceres Construction Limited	359.12	-
Ceres Infrastructure Limited	353.27	-
Diana Infrastructure Limited	634.20	-
Makala Infrastructure Limited	4,106.34	-
Farna Constructions Limited	403.61	-
Farna Estate Limited	547.71	-
Juventus Land Development Limited	326.01	-
Lucina Buildwell Limited	949.55	-
Zeus Properties Limited	528.78	-
Airmid Properties Limited	673.17	-
Citra Properties Limited	5,927.74	-
Corus Real Estate Limited	320.10	-
Varali Developers Limited	412.43	-





**Sepset Real Estate Limited**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2025

*All amount in ₹ lakhs, unless otherwise stated*

<b>Non-Convertible Debenture</b>		
<b>Holding Company:</b>		
Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)	20,000.00	-
<b>Trade Payable</b>		
<b>Other enterprises under the control or significant influence of Key Management Personnel of the holding company and/ or their relatives</b>		
Embassy Services Private Limited	56.10	
<b>Holding company:</b>		
- Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)	214.14	733.70

**Note – 47**

**Contingent liabilities and commitments**

Contingent liabilities, not acknowledged as debt include:

Particulars	31 March 2025	31 March 2024
Income tax demand in respect of which appeals have been filed for A.Y 2014-15	35.16	35.16
GST demand in respect of which appeals have been filed for F.Y 2018-19	30.72	-

There are certain Allottees of “Mega Mall, Jodhpur” Group housing residential project who had filed their respective complaints and are pending adjudication before RAJASTHAN RERA Authority, Jodhpur via, which they majorly alleged their grievance with respect to delay to the tune of ₹ 0.43 lakhs.

Based on the defence taken in these matters and the independent legal advice from the Counsels, the management believes that there is a reasonably likelihood that there is no material liability will devolve on the Company in respect of these matters.

There are no other contingent liabilities and commitments to be reported as at 31 March 2025 and 31 March 2024.

**Note – 48**

**Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Current borrowings	Total
<b>Net debt as at 01 April 2023</b>	<b>20,822.78</b>	<b>20,822.78</b>
Proceeds from current/non-current borrowings (including current maturities)	5,630.13	5,630.13
Repayment of current/non-current borrowings (including current maturities)	(6,609.20)	(6,609.20)
<b>Net debt as at 31 March 2024</b>	<b>19,843.71</b>	<b>19,843.71</b>
Proceeds from current/non-current borrowings (including current maturities)	21,956.50	21,956.50
Repayment of current/non-current borrowings (including current maturities)	(4,464.35)	(4,464.35)
<b>Net debt as at 31 March 2025</b>	<b>37,335.86</b>	<b>37,335.86</b>

**Note – 49**

**Segmental information**

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. purchase, sale, dealing, real estate project advisory, construction and development of real estate projects and all other related activities which as per Ind AS 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company derives its major revenues from construction and development of real estate projects and its customers are widespread. The Company is operating in India which is considered as a single geographical segment.



**Note – 50**

**Business Combination of Holding Company**

The Hon'ble National Company Law Appellate Tribunal, New Delhi Bench ("NCLAT"), on 7 January 2025, approved the scheme of amalgamation of Nam Estates Private Limited ("NAM") and Embassy One Commercial Property Developments Private Limited ("EOCPDPL") with Embassy Developments Limited ("EDL") (formerly known as Equinox India Developments Limited and earlier known as Indiabulls Real Estate Limited) and their respective shareholders and creditors ("Scheme") pursuant to sec 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Act, read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Pursuant to the NCLAT Order, EDL and NAM have filed the certified true copy of the court order with the respective jurisdictional Registrar of Companies on 24 January 2025, thereby giving effect to the scheme ("Effective Date").

Subsequent to the scheme becoming effective, a few of the current NAM shareholders, namely JV Holding Private Limited (JVHPL), four individuals, and two other entities (referred to as the "Promoter/Promoter Group"), became the largest shareholders of the EDL, the company's holding company.

**Note – 51**

**Audit Trail**

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Account) Rules, 2014, for the financial year commencing 1 April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained evolved during the year and continues to evolve.

The Company has used accounting software for maintaining its books of account for the year, which has feature of recording audit trail (edit log) facility at application level as well as database level and the same has operated throughout the year for all relevant transactions recorded in the software. Recording of audit trail (edit logs) can be disabled using restricted privileged rights for direct data changes at database level. Since the company has other necessary controls in place, which are operating effectively, this feature will not adversely impact its data and audit log retention directly at database level.

Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention except that the audit trail at the database level for the Company has not been preserved in the accounting software for the period from 1 April 2023 to 31 March 2024.

**Note – 52**

- a. During the financial year ended 31 March 2025, the Company has assessed the financial viability of its ongoing real estate development project as an onerous contract in accordance with Indian Accounting Standard (Ind AS) 37 – Provisions, Contingent Liabilities and Contingent Assets. Due to adverse market conditions, escalated construction costs, and a reduction in expected sales revenue from the project, the unavoidable costs of fulfilling the contractual obligations under the Project exceed the expected economic benefits. Accordingly, the Company has recognized a provision of ₹ 965.97 lakhs in respect of the estimated loss on the Project.
- b. Exceptional item for the year ended 31 March 2025 includes impairment of loans and advances of ₹ 326.01 lakhs as per the provisions of Ind AS 109

**Note – 53**

**Other matters**

- a. The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.
- b. In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2025 and 31 March 2024.
- c. In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at 31 March 2025, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.





**Sepset Real Estate Limited**

**Summary of material accounting policies and other explanatory information for the year ended 31 March 2025**

*All amount in ₹ lakhs, unless otherwise stated*

- d. The Company is a wholly owned subsidiary company of Embassy Developments Limited (Formerly Equinox India Developments Limited and earlier Indiabulls Real Estate Limited), whether directly or indirectly which is having a net worth of ₹ 10,17,098.00 lakhs. The Company will get all necessary support financially and otherwise from its holding company and thus, the Company is 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.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N



Aashish K Verma  
Partner

Membership Number: 527886



**For and on behalf of the Board of Directors**



Kulvinder Arora  
Director

[DIN: 09643877]



Rashmi Burman  
Director

[DIN: 09655408]

Place: Delhi

Date: 27 May 2025