

B.P. JAIN & CO.,

CHARTERED ACCOUNTANTS

NO.2, GEE GEE MINAR,

23, COLLEGE ROAD,

CHENNAI – 600 006

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INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF VERGE REALTY PRIVATE LIMITED,

Report on Audit of the standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **VERGE REALTY PRIVATE LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, Statement of changes in equity, Statement of Cash Flow for the year ended March 31, 2023, notes to the standalone statement, including a summary of significant accounting policies and other explanatory information. The company has no branches.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Profit, Changes in Equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act 2013 and the Rules there under, 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.



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.

Other Matters

We have Audited the standalone financial statements of the company whose financial statements/financial information reflects total Assets of Rs.33,24,89,000 as at 31st March 2023 and total Revenue of Nil for the Year Ending on that date as considered in the standalone financial statements. The company does not have branches. Hence Audit of branches is not applicable. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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 purpose of our audit.
 - (b). In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c). The company has no branch. The provisions of 143(8) not applicable.
 - (d). The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - (e). In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f). There are no such financial transactions or matters which have any adverse effect on the functioning of the company
 - (g). On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Companies Act 2013.
 - (h). The company has properly maintained all of its books of accounts and other matters connected therewith
 - (i). With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refers to our separate



2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" as statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Chennai
Date: 30-05-2023



For M/s. B.P.JAIN & CO.,
Chartered Accountants

Firm Registration Number: 050105S

Devendra Kumar Bhandari
Partner
Membership Number: 208862
UDIN: 24208862BKBUPS3096

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1(i) under 'Report on Other Legal & Regulatory Requirement' of our report to the Member of Verge Realty Private Limited of even date)

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

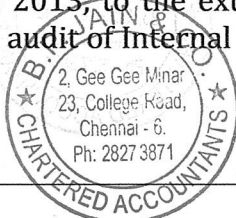
We have audited the internal financial controls over financial reporting of **VERGE REALTY PRIVATE LIMITED ("the Company")** as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai
Date: 30-05-2023

For M/s. B.P.JAIN & CO.,
Chartered Accountants

Firm Registration Number: 050105S



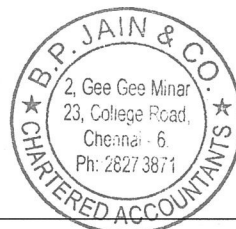
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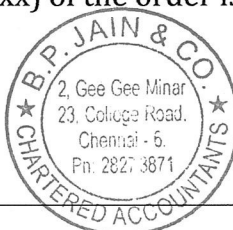
Annexure B" to the Independent Auditors' Report

(Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report to the Members of Verge Realty Private Limited of even date) :

- i. In respect of the Company's fixed assets:
 - (a).
 - (A). The company has no Property, Plant and Equipment.
 - (B.) The company has no intangible assets.
 - (b). There are no proceedings which 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
- ii.
 - a. As explained to us, the company does not have any inventories during the year
 - b. The company does not have any working capital loan with limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- iii. According to information and explanation given to us and on the basis of our examination of the books of account. The Company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLPs or other parties. Consequently, the provisions of clauses 3 (iii) (a) to (f) of the order are not applicable to the company.



- b. The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year
- xi.
- a. To the best of our knowledge and according to the information and explanations given by the management, we report that no fraud by the Company on the company has been noticed or reported during the year.
- b. There are no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- c. There are no whistle-blower complaints received during the year by the company
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv.
- a. The company has an internal audit system commensurate with the size and nature of its business
- b. The Internal Auditor has not issued any reports for the period under audit.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- xvi.
- a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b. The company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934
- c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India
- d. The Group does not have any Core Investment Company (CIC) as part of the Group
- xvii. The company does not have any cash losses in the financial year.
- xviii. There is no resignation of the statutory auditor during the year. Hence issues, objections or concerned raised by the outgoing auditor is not applicable.
- xix. In our opinion based on the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date
- xx. The company is not required to spend any of its profit on CSR activity as per 135(5) of the act. Thus, reporting under clause 3(xx) of the order is not applicable



VERGE REALTY PRIVATE LIMITED
REGD.OFF.# 3, GANAPATHY COLONY, 3RD STREET, OFF.CENOTAPH ROAD
TEYNAMPET, CHENNAI - 600018
CIN : U45309TN2019PTC133369

BALANCE SHEET AS ON 31 MARCH 2023

(All amounts are in Indian Rupees Lakhs(₹), unless otherwise stated)

	Note	As at	
		31 March 2023	31 March 2022
Assets			
Non Current Assets			
Property, plant and Equipment		-	-
Financial Assets			
i. Trade Receivables		-	-
i. Other Financial Assets	3	1.74	-
Total non-current assets		1.74	-
Current Assets			
Inventories	4	2,897.90	-
Financial Assets			
i. Trade Receivables			
ii. Cash and Cash Equivalents	5	401.12	1.02
Current Tax Asset (Net)			
Other Current Assets	6	24.12	-
Total Current Assets		3,323.15	1.02
Total Assets		3,324.89	1.02
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7	1.00	1.00
Other Equity			
Reserves and Surplus	8	-7.22	-1.23
Total Equity		-6.22	-0.23
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
i. Borrowings	9	3,300.64	-
Total Non -Current Liabilities		3,300.64	-
Current Liabilities			
Financial Liabilities			
i. Financial Liabilities			
- Trade Payables	10	29.62	-
i. Other Financial Liabilities			
Other current liabilities	11	0.84	1.25
Total Current Liabilities		30.46	1.25
Total Liabilities		3,331.10	1.25
Total Equity and Liabilities		3,324.89	1.02

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B.P.JAIN & Co
Chartered Accountants

Firm's registration number: 0501056



Devendra Kumar Bhandari
Partner
Membership number: 208862
UDIN: 24208862BKBUPS3096



For and on behalf of the Board of Directors of
VERGE REALTY PRIVATE LIMITED



Kamal Lunawath
Director
DIN: 00087324



Vimal Lunawath
Director
DIN: 00586269

Place : Chennai
Date : 30/05/2023

Place : Chennai
Date : 30/05/2023

VERGE REALTY PRIVATE LIMITED
REGD.OFF.# 3, GANAPATHY COLONY, 3RD STREET, OFF.CENOTAPH ROAD
TEYNAMPET, CHENNAI - 600018
CIN : U45309TN2019PTC133369

Statement Of Profit And Loss For The Year Ended 31 March 2023

(All amounts are in Indian Rupees Lakhs(₹), unless otherwise stated)

Particulars	Note	As at	
		31 March 2023	31 March 2022
Revenue from Operations	12	-	-
Other Income	13	-	-
Total Income		-	-
Expenses			
Construction and project expenses	14	2897.90	-
Changes in inventories of finished goods, work in progress and stock-in-trade	15	(2,897.90)	-
Employee benefits expense			
Finance costs			
Depreciation and amortization expense			
Other expenses	16	5.99	0.37
Total Expenses		5.99	0.37
Profit before Exceptional Items and tax		(5.99)	(0.37)
Exceptional Items		-	-
Profit before Tax		(5.99)	(0.37)
Tax Expense			
Current tax		-	-
Deferred Tax		-	-
Profit for the period		(5.99)	(0.37)
Other Comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement Gains / (Losses) on defined benefit plans		-	-
Total Comprehensive income for the period		(5.99)	(0.37)
Earnings per equity share			
Equity shares of par value Rs.10 each			
Basic (Rs.)		(0.00)	(0.00)
Diluted (Rs.)		(0.00)	(0.00)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B.P.JAIN & Co

Chartered Accountants

Firm's registration number: 0501055

D.K.B.

Devendra Kumar Bhandari

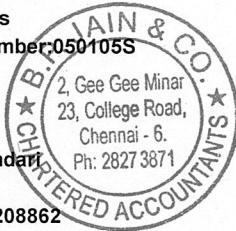
Partner

Membership number: 208862

UDIN : 24208862BKBUPS3096

Place : Chennai

Date : 30/05/2023



For and on behalf of the Board of Directors of
VERGE REALTY PRIVATE LIMITED

Kamal Lunawath

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Director

DIN:00087324

Vimal Lunawath

Vimal Lunawath

Director

DIN:00586269

Place : Chennai

Date : 30/05/2023

VERGE REALTY PRIVATE LIMITED

Statement of cash flows for the year ended 31 March 2023

(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flows from operating activities		
Profit before tax	-5.99	-0.37
Adjustments for:		
Depreciation expense	-	-
Interest expense	-	-
Interest income	-	-
Provision for employee benefits	-	-
Operating profit before working capital changes	-5.99	-0.37
Adjustments for working capital changes		
(Increase) /Decrease in Other Financial Assets	(2)	
(Increase) /Decrease in inventories	(2,898)	-
(Increase)/Decrease in Other current assets	(24)	
(Increase) /Decrease in Trade Payables	29.62	
Increase / (Decrease) in other current liabilities	-0.40	0.39
Cash generated from operations	-2,900.53	0.02
Less: Income taxes paid, net	-	-
Net cash generated from operating activities	A -2,900.53	0.02
B. Cash flows from investing activities		
Net cash generated from investing activities	B -	-
C. Cash flows from financing activities		
Increase / (Decrease) in Borrowings	3,300.64	
Net cash (used in) financing activities	C 3,300.64	-
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	400.10	0.02
E. Cash and cash equivalents at the beginning of the year	1.02	1.00
F. Cash and cash equivalents at the end of the year (D+E)	401.12	1.02
Cash and cash equivalents comprise of:		
Cash on hand	-	-
Balances with banks in current accounts	401.12	1.02
Total Cash and cash equivalents (Refer note 9(b))	401.12	1.02

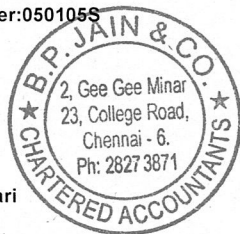
The accompanying notes form an integral part of the financial statements

This is the Statement of Cash flows referred to in our report of even date

For B.P.JAIN & Co
Chartered Accountants

Firm's registration number:0501055

Dud



Devendra Kumar Bhandari
Partner
Membership number:208862
UDIN : 24208862BKBUPS3096

Place: Chennai
Date: 30/05/2023

For and on behalf of Board of Directors of
VERGE REALTY PRIVATE LIMITED

Kamal

Kamal Lunawath
Director
DIN:00087324

Place: Chennai
Date: 30/05/2023

Vimal

Vimal Lunawath
Director
DIN:00586269

Place: Chennai
Date: 30/05/2023

VERGE REALTY PRIVATE LIMITED**Notes to standalone financial statements***(All amounts are in Indian Rupees (₹), unless otherwise stated)*

	As at 31-Mar-23 ₹	As at 31-Mar-22 ₹
Financial Assets		
3 Financial assets (non-current)		
Other financial assets		
Security deposits	1.74	-
	<u>1.74</u>	<u>-</u>
4 Inventories		
Properties under development	2,897.90	-
	<u>2,897.90</u>	<u>-</u>
5 Cash and cash equivalents		
Cash on hand	-	-
Balances with banks in current accounts	401.12	1.02
	<u>401.12</u>	<u>1.02</u>
6 Other current assets		
Balance with government authorities	15.22	-
Advances to suppliers	8.90	-
	<u>24.12</u>	<u>-</u>

7 a. Share Capital

	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Authorised				
Equity Shares of Rs.100 each	1,000	1,00,000	1,000	1.00
Issued				
Equity Shares of Rs.100 each	1,000	1,00,000	1,000	1.00
Subscribed and Paid up				
Equity Shares of Rs.100 each fully paid -up	1,000	1,00,000	1,000	1.00

b. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Shares outstanding at the beginning of the year	1,000	1,00,000	1,000	1.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,000	1,00,000	1,000	1.00

c. Terms and Rights attached to Equity Shares

The company has one class of equity shares having a par value of Rs.100 per share. Each shareholder is eligible for one vote per share

d. Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Arihant Foundations and Housing Limited	1,000	100%	1,000	100%

8 Other Equity

	As at 31-Mar-23	As at 31-Mar-22
Retained Earnings	₹	₹
Balance as per previous financial statements		
Opening adjustment	(1.23)	(0.86)
Profit / (Loss) for the year	(5.99)	(0.37)
Closing Balance	(7.22)	(1.23)

9 Borrowings

	As at 31-Mar-23	As at 31-Mar-22
Non-current	₹	₹
Secured Debenture		
India Realty Excellence Fund	3000	-
730 (15.6%) Secured Non Convertible Debentures of ₹ 1000000/- each redeemable in tranches or full at the option of the company		
The company shall mandatorily redeem all the NCDs in full, by paying all outstanding amounts to the Debenture Holders on to the expiry of 36th (thirty sixth) month from the Initial Tranche Completion Date		
	3,000	-
Unsecured		
From others		
Loans from related parties	300.64	0.00
	300.64	0.00
Total	3,300.64	-

10 Trade payables

	As at 31-Mar-23	As at 31-Mar-22
Current	₹	₹
Dues to micro and small enterprises*	-	-
Dues to others	29.62	-
	29.62	-

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Other Current Liabilities

	As at 31-Mar-23	As at 31-Mar-22
Current	₹	₹
Unsecured		
Statutory dues	0.84	-
-Creditors for others	-	1.25
	0.84	1.25

Verge Realty Private Limited**Notes to standalone financial statements**

(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Year ended 31-Mar-23 ₹	Year ended 31-Mar-22 ₹
12 Revenue from operations	-	-
13 Other income	-	-
14 Construction And Project Expenses		
Cost of land	1860.00	-
Materials	43.87	-
Labour & sub-contract expenses	20.46	-
Legal expenses	61.15	-
Permits and Fees	599.02	-
Consultancy charges	16.87	-
Interest charges and other finance costs related to proje	271.22	-
Other Project Expenses	25.32	-
	2,898	-
15 Changes In Inventories Of Materials, Work- In-Progress And Finished Goods		
a. Inventories at the beginning of the year		
ii. Work-in-progress	-	-
	-	-
b. Inventories at the end of the year		
ii. Work-in-progress	2,898	-
	2,898	-
Net (increase) / decrease	-	-
16 Other expenses		
Audit Fees		
- For Statutory Audit	0.35	0.36
Filing Fees and Others	1.39	0.01
Bank Charges	0.08	
Legal, Professional & Consultancy Charges	3.84	0.00
Miscellaneous expense	0.33	0.00
	5.99	0.37