

INDEPENDENT AUDITOR'S REPORT

**To the Members of HRL (Thane) Real Estate Limited
Report on the Audit of the Standalone Ind AS Financial Statements**

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **HRL (Thane) Real Estate Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

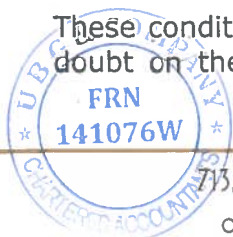
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report.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

Material Uncertainty Related to Going Concern

We draw attention to Note 19 to the accompanying financial statements, which indicates that the Company has incurred a net loss of Rs. 2.56 lakhs during the year ended 31st March 2025 (Previous Year: Rs. 0.65 lakhs).

As at 31st March 2025, the Company's current liabilities exceeded its current assets by Rs. 4,177.84 lakhs (Previous Year: Rs. 4,175.29 lakhs), and it had accumulated losses amounting to Rs. 2,291.85 lakhs (Previous Year: Rs. 2,289.29 lakhs), resulting in complete erosion of the Company's net worth.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, based on the



continued financial support from the holding and group companies and other factors disclosed in Note 19, management believes that the use of the going concern basis of accounting is appropriate.

Our conclusion is not modified in respect of this matter.

Information other than the Ind AS Financial Statements and Auditor's Report thereon

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

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

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

Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 Standalone Ind AS financial statement 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 Standalone Ind AS 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 it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) *The matter described in paragraph 3 under the Material Uncertainty Related to Going Concern paragraph, in our opinion, may have an adverse effect on the functioning of the Company.*



h)

- a. On the basis of the written representations received from the management as on March 31, 2025, no funds have been **advanced or loaned or invested** by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- b. On the basis of the written representations received from the management as on March 31, 2025, no funds have been **received by the company** from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.
- c. Based on the audit procedures performed, nothing has come to our notice that has caused us to believe that the below representations given by the management contain any material misstatement.

i) No dividend was declared/paid during the year by the Company, therefore question of compliance of section 123 of the Act does not arise.

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

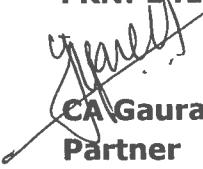
- i. The Company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. The question of delay in transferring such sums does not arise.

k) Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.



3. With respect to the other matters 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, no remuneration has been paid by the Company to its directors during the year so the provisions of section 197 of the Act are not applicable.

FOR U B G & Company
CHARTERED ACCOUNTANTS
FRN: 141076W


CA Gaurav J. Parekh
Partner
Membership No.: 140694
Mumbai,

Dated: 28th April, 2025

UDIN: 25140694BMHXGK6166



Annexure 'A' to the Independent Auditor's Report of HRL (Thane) Real Estate Limited for the Year ended as on 31st March 2025

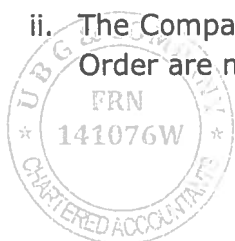
Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date: -

- i. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. The Company has no intangible assets as on 31st March 2025. Therefore, the clause(i)(a)(B) of the Order is not applicable to the Company.
- (b) All property, plant and equipment have been physically verified by the management during the year, and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head "Property, Plant and Equipment" are held in the name of the Company except for the following properties:

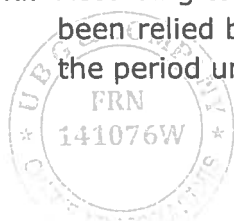
Description of property	Freehold Land
Gross carrying value	Rs. 260.05 Lakhs
Held in the name of	HREL Real Estate Limited
Whether held in the name of promoter, director or their relative or employee	No
Period during which it was not held in name of the Company	Since 2010 till date (Various Date)
Reason for not being held in the name of company*	Land was purchased in name of HREL Real Estate Limited, which was holding company of HRL Thane Real Estate Ltd (till 29 th March, 2024). It was decided to sell the land to HRL Thane and amount for the same was paid also but due to stamp duty issues it was not transferred. However, as a matter of keeping all land parcels under one company same was held in HRL Thane.

- (d) There was no revaluation been done by the company of its property, plant and equipment (including the right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of accounts, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- ii. The Company does not have any Inventory. Accordingly, the provision of clause (ii) of the Order are not applicable.



- iii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made investments in, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liabilities partnership or any other parties. Hence, reporting under clause (a) to (c) of Para 3(iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore, the clause (iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- vi. We have been informed that the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the Goods provided and Services rendered by the Company, which has been relied upon.
- vii.
- a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including goods & service tax, provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2025, there are no undisputed statutory dues payables for period exceeding for a period more than six months from the date they become payable.
- b) According to the information and explanation given to us, there are no cases of statutory dues referred to in sub-clause (a) which have not been deposited on account of dispute.
- viii. There are no transactions being not recorded in the books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. The Company has not taken term loans from any lender during the year, hence clause (ix) of the order is not applicable to the Company.
- x. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and the term loan during the year. Hence reporting under this clause (x) of the order is not applicable to the Company.
- xi. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the Company noticed or reported during the period under audit.



- xii. The Company is not a Nidhi Company and hence clause (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute an audit committee under Section 177 of the Act.
- xiv. Internal audit is not applicable to the Company, therefore reporting under this clause is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. The Company has incurred cash losses of ₹2.56 lakh in the current financial year and ₹0.65 lakh in the previous year.
- xviii. There has been no resignation of the statutory auditors during the year therefore, reporting under the said clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



xx. Section 135 of the Companies Act, 2013 regarding spending on CSR is not applicable to the Company. Therefore, reporting under this clause is not applicable.

FOR U B G & Company
CHARTERED ACCOUNTANTS
FRN: 141076W


CA Gaurav J. Parekh
Partner

Membership No.: 140694

Mumbai,

Dated: 28TH April, 2025

UDIN: 25140694BMHXGK6166



ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of **HRL (Thane) Real Estate Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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 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 the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.


Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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, 2025, 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.

FOR U B G & Company
CHARTERED ACCOUNTANTS
FRN: 141076W


CA Gaurav J. Parekh
Partner
Membership No.: 140694
Mumbai,
Dated: 28TH April, 2025
UDIN: 25140694BMHxGK6166



**BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31 MARCH 2025**

HRL (THANE) REAL ESTATE LIMITED

HRL (Thane) Real Estate Limited
Balance Sheet as at 31 March 2025
(Amount in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
I	ASSETS			
(1)	Non-current assets			
	a) Property, plant and equipment	3	1,896.00	1,896.00
	Total non-current assets		1,896.00	1,896.00
(2)	Current assets			
	a) Financial assets			
	(i) Cash and cash equivalents	4	0.09	0.37
	b) Other current assets	5	0.02	0.05
	Total current assets		0.11	0.42
	TOTAL ASSETS		1,896.11	1,896.42
II	EQUITY AND LIABILITIES			
(1)	Equity			
	a) Equity share capital	6	10.00	10.00
	b) Other equity		(2,291.85)	(2,289.29)
	Total equity		(2,281.85)	(2,279.29)
(2)	Liabilities			
	Current liabilities			
	a) Financial liabilities			
	i) Borrowings	7	4,174.65	4,172.42
	ii) Trade payables	8	-	-
	Dues of micro and small enterprises		0.15	0.11
	Dues of creditors other than micro and small enterprises		3.16	3.18
	iii) Other financial liabilities	9		
	Total current liabilities		4,177.96	4,175.71
	TOTAL EQUITY AND LIABILITIES		1,896.11	1,896.42

Notes 1 to 22 form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date.

For U B G & COMPANY

Chartered Accountants

Firm's Registration No: 141076W



[Signature]

Gaurav J. Parekh

Partner

Membership No.: 140694

Place: Mumbai

Date : 28th April 2025

For and on behalf of the Board of Directors

[Signature]

Praveen Hari Shettigar

Director

DIN No.: 10071888

Place: Mumbai

Date : 28th April 2025

[Signature]

Sharad Naik

Director

DIN : 07511077

Place: Mumbai

Date : 28th April 2025

HRL (Thane) Real Estate Limited
Statement of Profit and Loss account for the year ended 31 March 2025
(Amount in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	Year ended 31 March 2025	Year ended 31 March 2024
I	Expenses			
	Finance Cost	10	1.01	0.08
	Other expenses	11	1.55	0.57
	Total expenses (II)		2.56	0.65
III	Profit/ (Loss) before tax (III - IV)		(2.56)	(0.65)
III	Tax expense			
	Current tax		-	-
	Deferred tax		-	-
IV	Profit after tax (A) (V - VI)		(2.56)	(0.65)
V	Other comprehensive income/ (loss) for the year, net of tax (B)		-	-
VI	Total comprehensive Income for the year, net of tax (A+B)		(2.56)	(0.65)
VII	Profit per equity share having face value of Rs. 10 each			
	Basic and diluted (in Rs.)	13	(2.56)	(0.65)

Notes 1 to 22 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date.

For U B G & COMPANY
Chartered Accountants
Firm's Registration No: 141076W



[Signature]

Gaurav J. Parekh
Partner
Membership No.: 140694

For and on behalf of the Board of Directors

[Signature]

Praveen Hari Shettigar
Director
DIN No.: 10071888

[Signature]

Sharad Naik
Director
DIN : 07511077

Place: Mumbai
Date : 28th April 2025

Place: Mumbai
Date : 28th April 2025

Place: Mumbai
Date : 28th April 2025

HRL (Thane) Real Estate Limited
Cash Flow Statement for the year ended 31 March 2025
(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Cash flows from operating activities		
Loss before tax	(2.56)	(0.65)
Adjustment for:		
Financial guarantee income	-	-
Operating profit/(loss) before working capital changes	(2.56)	(0.65)
Changes in working capital		
Increase/(decrease) in trade payables	0.04	0.03
Increase/(decrease) in current assets	0.03	(0.05)
Increase / (decrease) in other current financial liabilities	(0.02)	(0.03)
Cash generated from operating activities	(2.51)	(0.70)
Income taxes paid (net)	-	-
Net cash generated from operating activities (A)	(2.51)	(0.70)
Cash flows from investing activities		
Financial guarantee income	-	-
Net cash used in investing activities (B)	-	-
Cash flows from financing activities		
Proceeds from current borrowings	2.23	(3.26)
Net cash generated from financing activities (C)	2.23	(3.26)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(0.28)	(3.96)
Cash and cash equivalents at beginning of the year	0.37	4.33
Cash and cash equivalents at end of year (Refer note 4)	0.09	0.37

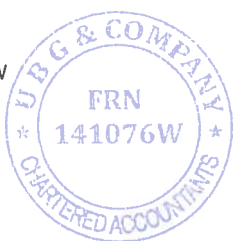
Note:

The cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

Notes 1 to 22 form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date.

For U B G & COMPANY
Chartered Accountants
Firm's Registration No: 141076W



For and on behalf of the Board of Directors

Gaurav J. Parekh
Partner
Membership No.: 140694

Place: Mumbai
Date : 28th April 2025

Praveen Hari Shettigar
Director
DIN No.: 10071888

Place: Mumbai
Date : 28th April 2025

Sharad Naik
Director
DIN : 07511077

Place: Mumbai
Date : 28th April 2025

HRL (Thane) Real Estate Limited
Statement of Changes in Equity for the year ended 31 March 2025
(Amount in ₹ Lakhs, unless otherwise stated)

A) Equity share capital

Particulars	Number	Rs. in Lakhs
Equity shares of Rs. 10 each issued, subscribed and paid		
As at 31 March 2023	1,00,000	10.00
Changes in equity share capital during 2021-22		
As at 31 March 2024	1,00,000	10.00
Changes in equity share capital during the year	-	-
As at 31 March 2025	1,00,000	10.00

B) Other equity

Particulars	Deemed equity investment	Reserve and Surplus	Total equity attributable to equity holders
		Retained earnings	
Balance as at 31 March 2023	1,950.33	(4,238.97)	(2,288.64)
Total comprehensive loss for the year	-	(0.65)	(0.65)
Deemed Equity Transferred to Reserve	(1,950.33)	1,950.33	-
Balance as at 31 March 2024	-	(2,289.29)	(2,289.29)
Total comprehensive loss for the year	-	(2.56)	(2.56)
Deemed Equity Transferred to Reserve	-	-	-
Balance as at 31 March 2025	-	(2,291.85)	(2,291.85)

Nature and purpose of reserves

i) Deemed equity investment by holding company

During the earlier years, the HREL Real Estate Limited (HREL) (Erstwhile holding company) has recognized deemed equity investment on account of benefits given in the form of interest free inter corporate deposits to the Company. The Company has recognized the same as contribution in reserve and surplus. During the previous year, HREL has sold its investment in the Company therefore Deemed equity investment has been transferred to retained earnings as on 31 March 2024.

ii) Retained earnings

Retained earnings represents the profits/ losses that the Company has earned/ incurred till date as reduced by dividends or other distributions paid to the shareholders.

Notes 1 to 22 form an integral part of the financial statements

This is the statement of Changes in Equity referred to in our audit report of even date.

For U B G & COMPANY

Chartered Accountants
Firm's Registration No: 141076W



For and on behalf of the Board of Directors

(Signature)

Praveen Hari Shettigar
Director
DIN No.: 10071888

(Signature)

Sharad Naik
Director
DIN : 07511077

Gaurav J. Parekh
Partner
Membership No.: 140694

Place: Mumbai
Date : 28th April 2025

Place: Mumbai
Date : 28th April 2025

Place: Mumbai
Date : 28th April 2025

HRL (Thane) Real Estate Limited

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

1 Corporate information

HRL (Thane) Real Estate Limited ("the Company") is a public limited company domiciled in India. The Company is principally engaged in Real estate activities with own or leased property. The registered office of the Company is located at Hincan House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India. The Company was incorporated on 03 August 2006 (CIN :U45201MH2006PLC163515). The Company operates as a subsidiary of HREL Real Estate Limited (formerly known as "HCC Real Estate Limited") upto 29/03/2024. Henceforth as a subsidiary of Hindustan Construction Company Ltd. The financial statements were authorised for issue in accordance with resolution of the Board of Director on 28th April 2025.

2 Significant Accounting Policies

i) Basis of preparation of financial statements

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified by the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and contingent consideration that are measured at fair values, on an accrual basis of accounting.

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 in use.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Companies Act, 2013 ("the Act"). Operating cycle for the business activities of the Company covers the duration of the project/ contract, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

These financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (00,000), except when otherwise indicated. Amount presented as "0.00" are non zero numbers rounded off in lakhs.

ii) Accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Contract estimates

The Company prepares budgets in respect of projects to compute project profitability. The major components of contract estimate is budgeted costs to complete the contract. While estimating the component various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Deferred tax assets

In assessing the realisability of deferred income tax assets including Minimum Alternate Tax, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term, if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



iii) **Property plant and equipment**

Property, plant and equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated impairment losses, if any. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost is eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Cost of land purchased / acquired by the Company includes purchase / acquisition price plus stamp duty and registration charges. Construction / development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land/ construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

The property, plant and equipment is carried at historical cost as at the balance sheet sheet. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

iv) **Depreciation and amortisation**

Depreciation/ amortisation is provided on the written down value method to allocate their cost, net of their residual values, over the estimated useful lives of the assets on a pro-rata basis. The useful lives have been determined based on technical evaluation carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

iv) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a **Financial assets**

Initial recognition:

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets measured at amortised cost :

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate (EIR) method. Impairment gains or losses arising on these assets are recognised in the statements of profit and losses.

Financial assets measured at fair value through other Comprehensive Income (FVTOCI) :

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial assets measured at fair value through Profit or Loss (FVTPL) :

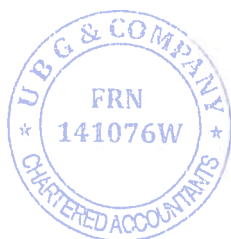
Financial assets are measured at fair value through profit and loss if these does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



HRL (Thane) Real Estate Limited

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

(b) Equity instruments and financial liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial liabilities

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below :

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the terms of a financial liability is re-negotiated and the company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss, measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

Financial Liabilities at fair value through Profit or Loss (FVPL)

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

De-recognition of financial liabilities

Financial liabilities are de-recognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/ (losses).

Offsetting 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.



v) **Income tax**

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) **Current income tax**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b) **Deferred income tax**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

iv) **Inventory**

(a) Land and construction / development expenses are accumulated under "Project work-in-progress" and the same are valued at cost or net realizable value, whichever is lower.

(b) Cost of land purchased / acquired by the Company includes purchase / acquisition price plus stamp duty and registration charges.

(c) Construction / development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land/ construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

vi) **Revenue recognition**

(a) **Revenue from real estate projects**

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled when a performance obligation is satisfied, which occurs when control of goods or services gets transfer to the customer.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

(b) **Interest and other income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. Other income is accounted for on accrual basis. Where the receipt of income is uncertain it is accounted for on receipt basis.

viii) **Borrowing costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

vii) **Provisions, contingent liabilities and contingent assets**

a A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. When appropriate, the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

b Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

c Contingent asset is recognised where the economic benefits are probable.



HRL (Thane) Real Estate Limited

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

viii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

ix) Foreign exchange translation and accounting of foreign exchange transactions

(a) Initial recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

(b) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Treatment of exchange difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

xii) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

x) Impairment of non-financial assets

As at each Balance Sheet date, the company assesses whether there is any indication that a non-financial asset may be impaired and also whether there is any indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for any asset is required, the company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of assets' fair value less cost to sell and value in use; and
- in case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction re taken account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment of inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the company considers there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was

xi) Inventory

- (a) Land and construction / development expenses are accumulated under "Project work-in-progress" and the same are valued at cost or net realizable value, whichever is lower.
- (b) Cost of land purchased / acquired by the Company includes purchase / acquisition price plus stamp duty and registration charges.
- (c) Construction / development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land/ construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

xi) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in values.

xii) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Real Estate Development". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

xiii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.



HRL (Thane) Real Estate Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025
(Amount in ₹ Lakhs, unless otherwise stated)

3) Property, plant and equipment

Tangible assets

Particulars	Freehold land	Total
Gross carrying value		
As at 31 March 2023	1,896.00	1,896.00
Additions	-	-
As at 31 March 2024	1,896.00	1,896.00
Additions	-	-
As at 31 March 2025	1,896.00	1,896.00
Accumulated depreciation		
As at 31 March 2023	-	-
Depreciation	-	-
As at 31 March 2024	-	-
Depreciation	-	-
As at 31 March 2025	-	-
Net carrying value		
As at 31 March 2023	1,896.00	1,896.00
As at 31 March 2024	1,896.00	1,896.00
As at 31 March 2025	1,896.00	1,896.00

Notes:

1. The land to the extent of an amount aggregating Rs. 260.05 lakhs is held in the name of the erstwhile Holding Company, HREL Real Estate Limited. The Company is in the process of transferring the title deeds of the aforementioned land in its own name.



HRL (Thane) Real Estate Limited

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

(Amount in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
10 Finance Cost		
Finance Charges	1.01	0.08
	1.01	0.08
11 Other expenses		
Rates and taxes	1.00	0.08
Legal and professional	0.45	0.39
<u>Payment to auditors</u>		
- Statutory audit fees	0.10	0.10
Total other expenses	1.55	0.57



HRL (Thane) Real Estate Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025
(Amount in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
4 Cash and cash equivalents		
Balances with banks		
- on current accounts	0.09	0.37
Total cash and cash equivalents	0.09	0.37
5 Other current assets		
Advances for purchase of land	2,256.21	2,256.21
Less: Provision for doubtful advances	(2,256.21)	(2,256.21)
	-	-
Prepaid Expenses	0.02	0.05
Total other current assets	0.02	0.05
6 Equity share capital		
a) Authorised share capital		
1,000,000 (Previous Year: 1,000,000) equity shares of Rs. 10 each	100.00	100.00
Total authorised share capital	100.00	100.00
Issued, subscribed and paid up		
Equity Share Capital		
100,000 (Previous Year: 100,000) of Rs.10 each fully paid up	10.00	10.00
Total issued, subscribed and paid up capital	10.00	10.00

b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,00,000	10.00	1,00,000	10.00
Issued during the year	-	-	-	-
At the end of the year	1,00,000	10.00	1,00,000	10.00

c) Details of Shareholders holding more than 5% shares of the Company and shares held by Holding Company

Particulars	31 March 2025		31 March 2024	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares of Rs.10 each fully paid				
HREL Real Estate Limited (Erstwhile Holding Company)	-	-	1,00,000	100%
Hindustan Construction Company Limited (Holding Company)(with effect from 29 March 2024)	1,00,000	100%	-	-

HREL Real Estate Limited (erstwhile holding company) has entered into agreement dated 29 March 2024 with Hindustan Construction Company Limited (HCC) for sale of its Investment in the Company. Accordingly w.e.f. 29 March 2024 the Company ceased to be subsidiary of HREL and become a subsidiary of the HCC.

d) Rights and restriction attached to equity shares

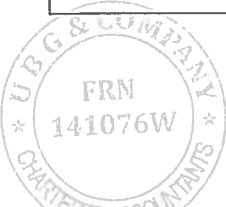
The Company has only one class of equity shares having face value as Rs. 10 per share. Every holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. Any dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

e) Bonus shares/ buy back/shares for consideration other than cash issued during past five years

The Company has neither issued any bonus shares, shares issued for consideration other than cash nor has there been any buy back of shares during past 5 years from reporting date.

f) Shareholding of Promoters

Name of Promoters	31 March 2025		31 March 2024		% Change during the year
	No. of shares held	% Holding	No. of shares held	% Holding	
HREL Real Estate Limited (Erstwhile Holding Company)	-	-	1,00,000	100%	100%
Hindustan Construction Company Limited (Holding Company)(with effect from 29 March 2024)	1,00,000	100%	-	-	100%



HRL (Thane) Real Estate Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025
(Amount in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
7 Borrowings		
Unsecured		
Current		
Inter corporate deposit from Holding Company^ (Refer Note 13)	4,166.19	4,166.21
Inter corporate deposit from other related party ^ (Refer Note 13)	4.21	1.97
Inter corporate deposit from others ^ (Refer Note 13)	4.25	4.25
Total current borrowings	4,174.65	4,172.42

There were outstanding Inter Corporate Deposit (ICD) payable to HREL Real Estate Limited. Pursuant to Memorandum of Understanding (MoU) dated 30 March 2024 entered into between Hindustan Construction Company Limited, HRL (Thane) Real Estate Limited and HREL Real Estate Limited, the said ICD is now payable to HCC by the Company.

^ Inter corporate deposits carried 12.50% effective interest rate per annum and is repayable on 1 April 2025. These have further been extended for a period of another 12 months by the lender.

8 Trade payables
Current

Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises

	0.15	0.11
Total trade payables	0.15	0.11

Trade payables are non interest bearing and are normally settled as per the payment terms attached in the contract.

Vendor Ageing

Particulars	Unbilled & not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
At the Beginning of the year	0.11	-	-	-	-	0.11
(i) MSME						-
(ii) Others	0.11	-				0.11
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
At the end of the year	0.15	-	-	-	-	0.15
(i) MSME						-
(ii) Others	0.15	-	-			0.15
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
Total trade payables					0.15	0.11

9 Other Financial Liabilities
Current

Interest payable on inter corporate deposits (Refer note 13)

Statutory Dues/TDS

	3.16	3.16
	-	0.02
Total current other financial liabilities	3.16	3.18



HRL (Thane) Real Estate Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025
(Amount in ₹ Lakhs, unless otherwise stated)

12 Earning/ (Loss) per share

Particulars	As at 31 March 2025	As at 31 March 2024
Loss after tax as per statement of profit and loss (Rs. in lakhs)	(2.56)	(0.65)
Weighted average number of equity shares	1,00,000	1,00,000
Loss per share (Basic and diluted) (in Rs.)	(2.56)	(0.65)

13 Disclosure in accordance with IND AS 24 Related party transactions

a) Name of the related party and nature of relationship *

a) Holding Company:

1. Hindustan Construction Company Limited (w.e.f. 29 March 2024)
2. HREL Real Estate Limited - (upto 29 March 2024)

b) Fellow Subsidiary:

1. Highbar Technologies Limited
2. HRL Township Developers Ltd
3. Western Securities Limited (upto 14 August 2024)
4. HCC Aviation Ltd (upto 31 March 2024)

b) Other Related Party:

1. Western Securities Limited (w.e.f. 14 August 2024)

c) Key managerial personnel:

1. Sandeep Savant - Director (till 29 March 2024)
2. Jitendra More - Additional Director (w.e.f. 02nd January 2025)
3. Rahul Shukla - Director (till 29 March 2024)
4. Praveen Hari Shettigar (w.e.f. 29 March 2024)
5. Sharad Pundlick Naik (w.e.f. 29 March 2024)

d) Transactions and balances with related parties

Related party	Particulars	As at 31 March 2025	As at 31 March 2024
Transactions during the period			
HRL Township Developers Ltd	Current borrowings payable	4.14	-
Western Securities Limited	Reimbursement of Expenses	-	0.70
Balances as at year end			
HRL Township Developers Ltd	Current borrowings payable	4.21	0.07
Western Securities Limited****	Current borrowings payable	-	1.90
HCC Aviation Ltd	Current borrowings payable	-	4.25
Hindustan Construction Company Limited ***	Current borrowings payable	4,166.19	4,166.21
Hindustan Construction Company Limited ***	Interest payable on inter corporate deposits	3.16	3.16

* List of Related Parties has been disclosed to the extent where there are transaction during the year or balance outstanding as on balance sheet.

**** Western Securities Ltd has been sold out on 14/08/2024

14 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.



Financial Instruments by category

The carrying value and the fair value of financial instruments by each category as at 31 March 2025:

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Cash and cash equivalents	0.09	-	-	0.09	0.09
Liabilities					
Current Borrowings	4,174.65	-	-	4,174.65	4,174.65
Trade Payables	0.15	-	-	0.15	0.15
Other financial liabilities	3.16	-	-	3.16	3.16

The carrying value and the fair value of financial instruments by each category as at 31 March 2024 :

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Cash and cash equivalents	0.37	-	-	0.37	0.37
Liabilities					
Current Borrowings	4,172.42	-	-	4,172.42	4,172.42
Trade Payables	0.11	-	-	0.11	0.11
Other financial liabilities	3.18	-	-	3.18	3.18

15 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Company, market risk comprises of interest rate risk. Major financial instruments affected by market risk includes loans and borrowings.

a) Interest rate risk

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company. The borrowings are at an interest free rate and hence interest rate risk is not applicable to the company.

b) Foreign currency risk

The Company has no transactions in foreign currency and consequently the Company is not exposed to foreign exchange risk.

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by cash and cash equivalents. Bank balances are held with only high rated banks.

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	0.09	0.37
Total	0.09	0.37

iii) Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.



Maturity analysis of financial instruments

As at 31 March 2025

Particulars	Carrying amount	Contractual Cash flow			Total
		On demand	0-12 Months	Above 1 years	
Current borrowings	4,174.65	-	4,174.65	-	4,174.65
Trade payables	0.15	-	0.15	-	0.15
Other financial liabilities	3.16	-	3.16	-	3.16
Total	4,177.95	-	4,177.95	-	4,177.95

As at 31 March 2024

Particulars	Carrying amount	Contractual Cash flow			Total
		On demand	0-12 Months	Above 1 years	
Current borrowings	4,172.42	-	4,172.42	-	4,172.42
Trade payables	0.11	-	0.11	-	0.11
Other financial liabilities	3.16	-	3.16	-	3.16
Total	4,175.69	-	4,175.69	-	4,175.69

16 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

There are no micro and small enterprises to whom the Company owes dues and which are outstanding as at 31 March 2025. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act (MSMED) Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no interest paid or payable during the year.

17 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted).

Particulars	As at 31 March 2025	As at 31 March 2024
Total borrowings (non current and current)	4,177.80	4,175.60
Total equity	(2,281.85)	(2,279.29)
Total debt to equity ratio (Gearing ratio)	-1.83	-1.83

18 Income Tax

As per local tax regulations and returns filed with the tax authorities, unabsorbed depreciation can be carried forward indefinitely and has no expiry date. However, business losses can be carried forward for eight years and has the expiry date as follows:

Assessment year	Expiry in financial year	As at 31 March 2025	As at 31 March 2024
2016-17	2023-24	-	1.12
2017-18	2024-25	2.73	2.73
2018-19	2025-26	3.37	3.37
2019-20	2026-27	2.66	2.66
2021-22	2028-29	0.42	0.42
2022-23	2029-30	0.23	0.23
2023-24	2030-31	0.93	0.93
2024-25	2031-32	0.65	-
		10.98	11.45

The Company had evaluated and elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019. Based on Management assessment, there is no impact of the new tax rate on the financial statements for the current year.

19 The Company has incurred net loss of Rs. 2.56 lakhs (Previous year loss of Rs 0.65) during the year ended 31 March 2025 and as at that date, its current liabilities have exceeded its current assets by Rs. 4,177.84 lakhs (Previous Year: Rs. 4,175.29 lakhs) and has accumulated losses amounting Rs 2,291.85 lakhs (Previous Year : Rs. 2,289.29 Lakhs) which have resulted in complete erosion of the net-worth of the Company. The business of the Company is dependent on the business of holding company. The Company is in the process of reassessing its business plan in view of expected growth opportunities and intends to expand its business operations going forward. The management of the Company, considering the continuous financial support from the holding company, have prepared the above financial statements on a 'Going Concern' basis.

20 The Company is principally engaged in a single business segment i.e. Real estate activity, with owned or leased property.



HRL (Thane) Real Estate Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

Analysis of Financial Ratios

Nature of Ratio	Parameters	31-Mar-25	31-Mar-24	% of change in Ratio*	Remarks
(a) Current Ratio	Current Assets Current Liabilities	0.00	0.00	-70.29%	**
(b) Debt-Equity Ratio	Total Debt Shareholders Equity	-1.83	-1.83	-0.08%	
(c) Debt Service Coverage Ratio (1) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. (2) Debt service = Interest & Lease Payments + Principal Repayments. *Net Profit after tax* means reported amount of "Profit / (loss) for the year" and it does not include items of other comprehensive income.	Earnings available for Debt services(1) Debt Service cost (2)	0.00%	0.00%	0.00%	
(d) Return on Equity Ratio (Average shareholders equity is derived from opening & closing equity shares)	PAT- Dividend to Pref. shareholders Average Shareholders Equity	0.11%	0.03%	293.57%	\$
(e) Inventory turnover ratio	Cost of goods sold Average Inventory	0.00%	0.00%	0.00%	
(f) Trade Receivables turnover ratio	Net Credit Sales Average Trade Receivables	0.00%	0.00%	0.00%	
(g) Trade payables turnover ratio	Net Credit Purchases Average Trade Payables	0.00%	0.00%	0.00%	
(h) Net capital turnover ratio	Net Sales Working Capital	0.00%	0.00%	0.00%	
(i) Net profit ratio	Net Profit Net Sales	0.00%	0.00%	0.00%	
(j) Return on Capital employed	EBIT Capital Employed	0.11%	0.03%	293.40%	\$
(k) Return on investment	Net Income Investment	0.11%	0.03%	293.40%	\$

* explanation to be given for change in ratio is more than 25% (Favourable or adverse both)

** Attributable to loan and advance given to related parties (Refer note no.13)

\$ Attributable to cessation of financial guarantee to Highbar Technologies Limited and consequently no financial guarantee income being recognised in current year

21 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 1 April 2024.

22 Previous years figures have been regrouped and reclassified wherever considered necessary.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For U B G & COMPANY
Chartered Accountants
Firm's Registration No. 141076W

Gaurav J. Parekh
Partner
Membership No.: 140694

Place: Mumbai
Date: 28th April 2025



For and on behalf of the Board of Directors

Praveen Hari Shettigar
Director
DIN No.: 10071888

Place: Mumbai
Date: 28th April 2025

Sharad Naik
Director
DIN No.: 0751077

Place: Mumbai
Date: 28th April 2025