## Independent Examination report on the Restated Ind AS Consolidated Financial Information of Arkade Developers Limited (formerly Arkade Developers Private Limited)

The Board of Directors
Arkade Developers Limited (formerly Arkade Developers Private Limited)
Arkade House, Near Children's Academy, A S Marg,
Ashok Nagar, Kandivali (East), Mumbai, Maharashtra 400101

**Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of Arkade Developers Limited (formerly Arkade Developers Private Limited)**

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement dated June 21, 2023.

2. We have examined the attached Restated Consolidated Financial Information, expressed in Indian Rupees in million of Arkade Developers Limited (formerly Arkade Developers Private Limited) (hereinafter referred to as the "Company" or the "Issuer" or the 'ADL') and its subsidiaries (the Company and its subsidiaries together referred toas the "Group"), and associates comprising:

   (a) the "Restated Consolidated Statement of Assets and Liabilities" as at March 31, 2023, March 31, 2022 and March 31, 2021 (enclosed as Annexure I);

   (b) the "Restated Consolidated Statement of Profit and Loss" for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 (enclosed as Annexure II);

   (c) the "Restated Consolidated Statement of Changes in Equity" for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 (enclosed as Annexure III);

   (d) the "Restated Consolidated Statement of Cash Flows" for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 (enclosed as Annexure IV);

   (e) the "Basis of Preparation, Significant Accounting Policies" for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 (enclosed as Annexure V);

   (f) the "Notes to Restated Consolidated Financial Information" for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 (enclosed as Annexure VI); and

   (g) the "Statement of Adjustments to Audited Consolidated Financial Statements" as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 (enclosed as Annexure VII);

   (hereinafter together referred to as the "Restated Consolidated Financial Information"), prepared by the Management of the Company in connection with the proposed Initial Public Offering of Equity Shares of the Company (the "IPO" or "Issue") in accordance with the requirements of:

   i. Section 26 of the Companies Act, 2013 (the "Act") as amended from time to time;

   ii. Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR

Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and

iii. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The said Restated Consolidated Financial Information has been approved by the Board of Directors of the Company at their meeting held on July 21, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") and initialed by us for identification purposes only.

## Management's Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (SEBI), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in connection with the proposed Initial Public Offering of the equity shares of the Company, isthe responsibility of the Management of the Company. The Restated Consolidated Financial Information have been prepared by the Management of the Company in accordance with the basis of preparation stated in Note 2.1 to the Restated Consolidated Financial Information in Annexure V. The Management's responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Group, its jointly controlled operations, joint ventures and associates, comply with the Act, SEBI ICDR Regulations and the Guidance Note.

## Auditor's Responsibilities

4. Our work has been carried out considering the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 of the Act, and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Issue.

5. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Instituteof Chartered Accountants of India.

6. The Restated Consolidated Financial Information, expressed in Indian Rupees in million, has been prepared by the Company's Management from:

   (a) the audited consolidated financial statements of the Group and associates as at and for the years ended on March 31, 2022 and March 31, 2021 prepared in accordance with Accounting Standard (referred to as "AS") as prescribed under Section 133 of the Act, read with Companies (Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 01, 2023

   (b) the Special purpose audited consolidated converged financial statements (based on the previously issued audited financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standards – Ind AS) of the Group and associates as at and for the years ended on March 31, 2022 and March 31, 2021 prepared in accordance with Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 03, 2023.

(c) the audited consolidated financial statements of the Group and associates as at and for the years ended on March 31, 2023 prepared in accordance with Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 03, 2023.

7. For the purpose of our examination, we have relied on

(a) Auditor's reports issued by other auditors on consolidated financial statements of the Group and associates as at and for the years ended on March 31, 2022 and March 31, 2021 prepared in accordance with Accounting Standard (referred to as "AS") as prescribed under Section 133 of the Act, read with Companies (Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, dated April 01, 2023.

(b) Auditor's report issued by other auditors on the Special Purpose Ind AS Financial Statements of the subsidiaries and associates as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

(c) Special purpose audit report issued by us on the Special Purpose Ind AS Consolidated Financial Statements of the Group and its associate as at and for the year ended March 31, 2022, March 31, 2021, dated July 03, 2023, as referred in Para 6 (c) above;

(d) Audit report issued by us on the Ind AS Consolidated Financial Statements of the Group and its associates as at and for the year ended March 31, 2023, dated July 03, 2023, as referred in Para 6 (d) above.

8. We have not audited any financial statements of the Group and associates as of any date or for any period subsequent to March 31, 2023. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Group and associates as of any date or for any period subsequent to March 31, 2023.

## Opinion

9. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

a. have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note;

b. have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors, and regrouping/reclassifications, retrospectively (as disclosed in Annexure VII to Restated Consolidated Financial Information) to reflect the same accounting treatment as per the accounting policies as at and for the year ended March, 2023; and

c. there are no qualifications in the auditors' reports which require any adjustments.

10. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective date of reports on the audited consolidated financial statements of the Group and its jointly controlled operations, joint ventures and associates mentioned in paragraph 8 above.

11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report issued by us or other auditors on the consolidated financial statements of the Group, or any components included in those financial statements as may be applicable for the reporting periods.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

## Other Matters

13. a) As indicated in the auditor's reports referred in paragraph 7 above:

1. The comparative financial information of the Company for the year ended 31st March, 2022 and the transition date opening Balance Sheet as at April 01, 2021 included in the financial statements for the year ended on March 31, 2023, are based on the previously issued audited financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standards (Ind AS), which have been audited by us.

2. Consolidated accounts for the previous years ended on March 31, 2022 and March 31, 2021 under Companies (Accounting Standard) Rules, 2006, were audited by another firm of Chartered Accountants viz. M/S. Kavin Shah & Associates. They have expressed the unmodified opinion on the financial statements for the year ended on 31st March, 2022 and March 31, 2021 vide their respective years report dated 01 April, 2023.

3. We did not audit the financial statements of subsidiaries and associates whose share of total assets, net assets, total revenue, total comprehensive income (comprising of profit/ (loss) and other comprehensive income), net cash inflows / (outflows) and share of profit/ (loss) in its associates included in the consolidated financial statements, for the relevant years/period is tabulated in Table A below, which are audited by other auditors and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of other auditors:

Table A

| Particulars | As at and for theyear ended March 31, 2023 | As at and for the year ended March 31, 2022 | As at and for theyear ended March 31, 2021 |
|---|---|---|---|
| Number of Subsidiaries (numbers) | 2 | 2 | 2 |

| Particulars | As at and for theyear ended March 31, 2023 | As at and for theyear ended March 31, 2022 | As at and for theyear ended March 31, 2021 |
|---|---|---|---|
| Total Assets (INR Million) | 1.53 | 52.37 | 91.57 |
| Net Assets (INR Million) | 0.52 | (1.99) | 9.84 |
| Total Revenue (INR Million) | Nil | 25.87 | 563.51 |
| Total Comprehensive Income (INR Million) | (0.47) | 3.28 | 9.84 |
| Net cash inflows/ (outflows) (INR Million) | (0.55) | (0.18) | (47.23) |
| | | | |
| Number of Associates and Joint Ventures (numbers) | 3 | 3 | 3 |
| Share of profit/ (loss) in associates (net) (INR Million) | 41.74 | 72.08 | (6.10) |
| | | | |

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

b) We did not examine the restated financial information of subsidiaries and associates whose share of total assets, net assets, total revenue, total comprehensive income (comprising of profit/ (loss) and other comprehensive income), net cash inflows / (outflows) and share of profit/ (loss) in its associates included in the Restated Consolidated financial information, for the relevant years/period is tabulated in Table B below, which are audited by other auditors and whose reports have been furnished to us by the Company's management and our opinion on the Restated consolidated financial information, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of other auditors and information provided by the management

Table B

| Particulars | As at and for the year ended March 31, 2023 | As at and for the year ended March 31, 2022 | As at and for the year ended March 31, 2021 |
|---|---|---|---|
| Number of Subsidiaries (numbers) | 2 | 2 | 2 |
| Total Assets (INR Million) | 1.53 | 57.09 | 91.57 |
| Net Assets (INR Million) | 0.52 | 2.74 | 9.84 |
| Total Revenue (INR Million) | Nil | 25.87 | 563.51 |
| Total Comprehensive Income (INR Million) | (0.47) | 8.00 | (0.88) |
| Net cash inflows/ (outflows) (INR Million) | (0.55) | (0.18) | (50.32) |
| | | | |
| Number of Associates and Joint Venture (numbers) | 3 | 3 | 3 |
| Share of profit/ (loss) in associates | 41.74 | 72.79 | (6.10) |

The other auditors of the subsidiaries and associates, have confirmed that the restated standalone / consolidated financial information of the components:

i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications to reflect the same accounting treatment as per the accounting policies of the Arkade Developers Limited as at March 31, 2023;

ii. there are no qualifications in the auditors' report which require any adjustments; and

iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

## Restriction on Use

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed Initial Public Offering of the equity shares of the Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

*For Mittal & Associates*
Chartered Accountants
Firm Reg. No. 106456W

Hemant R Bohra
Partner
Mem. No.: 165667
UDIN:- 23165667BGTIGQ9354

Place : Mumbai
Date : July 21, 2023

**Arkade Developers Limited (Formerly known as Arkade Developers Private Limited)**
**ANNEXURE I**
**Restated Consolidated Statement of Assets & Liabilities**
**All amounts are ₹ in Millions unless otherwise stated**

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| (a) Property, plant and equipment | 4 | 19.11 | 18.28 | 3.46 |
| (b) Intangible assets | 5 | 2.49 | - | - |
| (c) Financial assets | | | | |
| (i) Investments | 6.1 | 169.73 | 163.75 | 159.90 |
| (ii) Loans | 7.1 | - | - | - |
| (iii) Other financial assets | 8.1 | 63.72 | 11.00 | 6.50 |
| (d) Non-current tax assets (net) | 9.1 | 10.80 | 0.54 | 8.83 |
| (e) Deferred tax assets (net) | 10.1 | 6.59 | 2.70 | 2.26 |
| (f) Other non-current assets | 11.1 | 0.83 | - | - |
| **Total non-current assets** | | **273.26** | **196.28** | **180.95** |
| **Current assets** | | | | |
| (a) Inventories | 12.1 | 5,005.26 | 2,990.08 | 2,040.89 |
| (b) Financial assets | | | | |
| (i) Investments | 6.1 | - | 231.63 | 976.46 |
| (ii) Trade receivables | 13.1 | 37.05 | 52.60 | 126.13 |
| (iii) Cash and cash equivalents | 14.1 | 166.20 | 25.21 | 49.39 |
| (iv) Bank balances other than (ii) above | 15.1 | 9.52 | 70.03 | 66.58 |
| (v) Loans | 7.1 | 0.91 | 0.15 | 0.23 |
| (vi) Other financial assets | 8.1 | 26.77 | 1.88 | 2.56 |
| (c) Other current assets | 11.1 | 34.07 | 131.82 | 54.19 |
| **Total current assets** | | **5,279.78** | **3,503.39** | **3,316.43** |
| **Total assets** | | **5,553.04** | **3,699.67** | **3,497.38** |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| (a) Equity share capital | 16.1 | 20.00 | 20.00 | 20.00 |
| (b) Other equity | 17.1 | 1,982.11 | 1,474.95 | 971.41 |
| **Total attributable to owners of the parent company** | | **2,002.11** | **1,494.95** | **991.41** |
| **Total attributable to Non- Controlling Interest** | | 0.52 | (1.98) | 9.41 |
| **Total Equity** | | **2,002.63** | **1,492.97** | **1,000.82** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 18.1 | 787.54 | 11.99 | - |
| (ii) Other financial liabilities | 19.1 | - | - | - |
| (b) Provisions | 20.1 | 10.91 | 9.12 | 6.79 |
| (c) Deferred Tax Laibilities (Net) | 10.1 | - | - | - |
| **Total non-current liabilities** | | **798.45** | **21.11** | **6.79** |
| **Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 18.1 | 702.41 | 632.14 | 136.94 |
| (ii) Trade payables | 21.1 | | | |
| - Total outstanding dues to small and micro enterprises | | 79.66 | 32.54 | 60.91 |
| - Total outstanding dues of creditors other than small and micro enterprises | | 155.53 | 104.77 | 162.01 |
| (iii) Other financial liabilities | 19.1 | 137.29 | 77.08 | 73.78 |
| (b) Other current liabilities | 22.1 | 1,648.01 | 1,308.11 | 2,032.11 |
| (c) Provisions | 20.1 | 29.05 | 30.95 | 24.01 |
| (d) Current tax liabilities (net) | 23.1 | - | - | - |
| **Total current liabilities** | | **2,751.95** | **2,185.60** | **2,489.76** |
| **Total equity and liabilities** | | **5,553.04** | **3,699.67** | **3,497.38** |

The above statement should be read with the Notes to the Restated Consolidated Financial Information- Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial information - Other Information appearing in Annexure VI; and Restatement Adjustments to Restated Standalone Financial information appearing in Annexure VII.

As per our report of even date
**For Mittal & Associates**
Chartered Accountants
**Firm Reg. No.: 106456W**

**Hemant R Bohra**
**Partner**
**M No. 165667**
Place: Mumbai
Date : July 21, 2023

**For and on behalf of Board of Directors of**
**Arkade Developers Limited**

**Amit Jain**
**Managing Director**
**DIN : 00139764**

**Arpit Jain**
**Whole-time Director**
**DIN : 06899631**

**Samshet Shetye**
**Chief Financial Officer**

**Sheetal Solani**
**Company Secretary**
**M No. : A45964**

Place: Mumbai
Date : July 21, 2023

**Arkade Developers Limited (Formerly known as Arkade Developers Private Limited)**
**ANNEXURE II**
**Restated Consolidated Statement of Profit and Loss**
**All amounts are ₹ in Millions unless otherwise stated**

| Particulars | | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|---|---|
| I | Revenue from operations | 24.1 | 2,201.52 | 2,289.34 | 1,082.70 |
| II | Other income | 25.1 | 38.61 | 82.48 | 49.15 |
| **III** | **Total income (I + II)** | | **2,240.13** | **2,371.82** | **1,131.85** |
| **IV** | **Expenses** | | | | |
| | (a) Cost of construction | 26.1 | 3,344.28 | 2,548.79 | 585.16 |
| | (b) Changes in inventories of finished goods and work in progress | 27.1 | (2,015.19) | (949.19) | 79.04 |
| | (c) Employee benefit expense | 28.1 | 170.83 | 79.46 | 61.30 |
| | (d) Finance costs | 29.1 | 12.81 | 43.29 | 12.98 |
| | (e) Depreciation and amortisation expense | 30.1 | 2.71 | 0.71 | 1.09 |
| | (f) Other expenses | 31.1 | 98.69 | 65.83 | 95.25 |
| | **Total expenses (IV)** | | **1,614.14** | **1,788.89** | **834.81** |
| **V** | **Profit before tax and share of profit (loss) from associates (III - IV)** | | **625.99** | **582.93** | **297.04** |
| | Share of profit / (loss) from associates | | 41.74 | 72.79 | (6.10) |
| **VI** | **Profit before tax** | | **667.73** | **655.72** | **290.95** |
| **VII** | **Tax expense** | | | | |
| | (1) Current tax | 32.1 | 165.01 | 147.73 | 76.89 |
| | (2) Deferred tax expense/ (credit) | 32.1 | (3.89) | (0.45) | (3.13) |
| | **Total tax expense (VI)** | | **161.12** | **147.28** | **73.76** |
| **VIII** | **Profit for the year (V -VI)** | | **506.61** | **508.44** | **217.18** |
| | (i) Owners of the company | | 506.78 | 504.73 | 211.90 |
| | (ii) Non controlling interest | | (0.17) | 3.71 | 5.28 |
| **IX** | **Other comprehensive income** | | | | |
| | (A) Items that will not be reclassified to profit or loss | | | | |
| | (a) (Loss)/Gain on remeasurement of the defined benefit plan | 36.1 | (0.38) | 1.19 | 0.40 |
| | (b) Income tax on above | 32.1 | | | |
| | **Total other comprehensive (loss)/income for the year** | | **(0.38)** | **1.19** | **0.40** |
| | (i) Owners of the company | | (0.38) | 1.19 | 0.40 |
| | (ii) Non controlling interest | | - | - | |
| **X** | **Total comprehensive (loss)/income for the year (VII+VIII)** | | **506.99** | **507.25** | **216.78** |
| | (i) Owners of the company | | 507.16 | 503.54 | 211.50 |
| | (ii) Non controlling interest | | (0.17) | 3.71 | 5.28 |
| **XI** | **Earnings per equity share (Face value of ₹ 10/- per share)** | 33.1 | | | |
| | (1) Basic (₹) | | 3.33 | 3.32 | 1.39 |
| | (2) Diluted (₹) | | 3.33 | 3.32 | 1.39 |

The above statement should be read with the Notes to the Restated Consolidated Financial Information- Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial information - Other Information appearing in Annexure VI; and Restatement Adjustments to Restated Standalone Financial information appearing in Annexure VII.

As per our report of even date
**For Mittal & Associates**
Chartered Accountants
**Firm Reg. No.: 106456W**

**Hemant R Bohra**
**Partner**
**M No. 165667**
Place: Mumbai
Date : July 21, 2023

**For and on behalf of Board of Directors of**
**Arkade Developers Limited**

**Amit Jain**
**Managing Director**
**DIN : 00139764**

**Arpit Jain**
**Whole-time Director**
**DIN : 06899631**

**Samshet Shetye**
**Chief Financial Officer**

**Sheetal Solani**
**Company Secretary**
**M No. : A45964**

Place: Mumbai
Date : July 21, 2023

**Arkade Developers Limited (Formerly known as Arkade Developers Private Limited)**
**ANNEXURE III**
**Restated Consolidated Statement of Changes in Equity**
**All amounts are ₹ in Millions unless otherwise stated**

**(a) Equity share capital**

| For the year ended March 31, 2023 | | | | |
|---|---|---|---|---|
| **Balance as at April 1, 2022** | **Changes in equity share capital due to prior period errors** | **Restated balance at April 1, 2022** | **Changes in equity share capital during the year** | **Balance as at March 31, 2023** |
| 20.00 | - | 20.00 | - | 20.00 |

| For the year ended March 31, 2022 | | | | |
|---|---|---|---|---|
| **Balance as at April 1, 2021** | **Changes in equity share capital due to prior period errors** | **Restated balance at April 1, 2021** | **Changes in equity share capital during the year** | **Balance as at March 31, 2022** |
| 20.00 | - | 20.00 | - | 20.00 |

| For the year ended March 31, 2021 | | | | |
|---|---|---|---|---|
| **Balance as at April 1, 2020** | **Changes in equity share capital due to prior period errors** | **Restated balance at April 1, 2020** | **Changes in equity share capital during the year** | **Balance as at March 31, 2021** |
| 20.00 | - | 20.00 | - | 20.00 |

**(b) Other equity**

| **Particulars** | **Reserves and Surplus** | | | **Total** |
|---|---|---|---|---|
| | **Securities premium** | **Retained earnings** | **Remeasurement of defined benefit plan** | |
| **Balance as at April 1, 2022** | **187.92** | **1,287.82** | **(0.79)** | **1,474.95** |
| Changes in accounting policy | - | - | - | - |
| **Restated balance as at April 1, 2022** | **187.92** | **1,287.82** | **(0.79)** | **1,474.95** |
| Profit for the year | - | 506.78 | - | 506.78 |
| Remeasurement of defined benefit obligation, net of income tax | - | - | 0.38 | 0.38 |
| **Total comprehensive (loss)/Gain for the year** | **-** | **506.78** | **0.38** | **507.16** |
| Securities premium on shares issued (net of share issue costs) | - | - | - | - |
| **Balance as at March 31, 2023** | **187.92** | **1,794.60** | **(0.41)** | **1,982.11** |

| **Particulars** | **Reserves and Surplus** | | | **Total** |
|---|---|---|---|---|
| | **Securities premium** | **Retained earnings** | **Remeasurement of defined benefit plan** | |
| **Balance as at April 1, 2021** | **187.92** | **783.09** | **0.40** | **971.41** |
| Changes in accounting policy | - | - | - | - |
| **Restated balance as at April 1, 2021** | **187.92** | **783.09** | **0.40** | **971.41** |
| Profit for the year | - | 504.73 | - | 504.73 |
| Remeasurement of defined benefit obligation, net of income tax | - | - | (1.19) | (1.19) |
| **Total comprehensive (loss)/Gain for the year** | **-** | **504.73** | **(1.19)** | **503.54** |
| Securities premium on shares issued (net of share issue costs) | - | - | - | - |
| **Balance as at March 31, 2022** | **187.92** | **1,287.82** | **(0.79)** | **1,474.95** |

**Arkade Developers Limited (Formerly known as Arkade Developers Private Limited)**
**ANNEXURE III**
**Restated Consolidated Statement of Changes in Equity**
**All amounts are ₹ in Millions unless otherwise stated**

| Particulars | Reserves and Surplus | | | Total |
|---|---|---|---|---|
| | Securities premium | Retained earnings | Remeasurement of defined benefit plan | |
| **Balance as at April 1, 2020** | **187.92** | **571.19** | **-** | **759.10** |
| Changes in accounting policy | - | - | - | - |
| **Restated balance as at April 1, 2020** | **187.92** | **571.19** | **-** | **759.10** |
| Profit for the year | - | 211.90 | - | 211.90 |
| Remeasurement of defined benefit obligation, net of income tax | - | - | 0.40 | 0.40 |
| **Total comprehensive (loss)/Gain for the year** | **-** | **211.90** | **0.40** | **212.30** |
| Securities premium on shares issued (net of share issue costs) | - | - | - | - |
| **Balance as at March 31, 2021** | **187.92** | **783.09** | **0.40** | **971.41** |

The above statement should be read with the Notes to the Restated Consolidated Financial Information- Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial information - Other Information appearing in Annexure VI; and Restatement Adjustments to Restated Standalone Financial information appearing in Annexure VII.

As per our report of even date
**For Mittal & Associates**
Chartered Accountants
**Firm Reg. No.: 106456W**

**For and on behalf of the Board of Directors of**
**Arkade Developers Limited**

**Hemant R Bohra**
**Partner**
**M No. 165667**
Place: Mumbai
Date : July 21, 2023

**Amit Jain**
**Managing Director**
**DIN : 00139764**

**Arpit Jain**
**Whole-time Director**
**DIN : 06899631**

**Samshet Shetye**
**Chief Financial Officer**

**Sheetal Solani**
**Company Secretary**
**M No. : A45964**

Place: Mumbai
Date : July 21, 2023

**Arkade Developers Limited (Formerly known as Arkade Developers Private Limited)**
**ANNEXURE IV**
**Restated Consolidated Statement of Cash flow**
**All amounts are ₹ in Millions unless otherwise stated**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | 667.73 | 655.72 | 290.95 |
| Adjustments for: | | | |
| Finance costs | 12.81 | 43.29 | 12.98 |
| Interest income | (4.55) | (6.51) | (8.00) |
| Loss/(Gain) on disposal of property, plant and equipment (net) | - | 0.03 | - |
| Fair value (gain) on investments (net) | - | (1.16) | (5.11) |
| Loss / (gain) on sale of current investments (net) | (7.27) | (30.43) | (1.05) |
| Depreciation and amortisation expenses | 2.71 | 0.71 | 1.09 |
| **Operating profit before working capital changes** | **671.43** | **661.65** | **290.86** |
| **Adjustments for:** | | | |
| **(Increase)/decrease in operating assets** | | | |
| Trade receivables | 15.55 | 73.53 | 205.88 |
| Inventories | (2,015.18) | (949.19) | 79.11 |
| Other financial assets (Non-Current and Current) | (77.62) | (3.82) | (3.30) |
| Loans to staff | (0.75) | 0.08 | (0.25) |
| Other assets (Non-Current and Current) | 96.93 | (77.63) | (16.56) |
| **Increase/(decrease) in operating liabilities** | | | |
| Trade payables | 97.87 | (85.61) | (77.33) |
| Provisions (Non-Current and Current) | (0.10) | 9.27 | 8.80 |
| Other financial liabilities (Non-Current and Current) | 60.21 | 3.30 | - |
| Other current liabilities | 339.89 | (724.00) | 1,022.00 |
| **Changes in Working Capital** | **(1,483.21)** | **(1,754.06)** | **1,218.34** |
| **Cash generated from operations** | **(811.78)** | **(1,092.41)** | **1,509.21** |
| Income taxes paid (Net of Refund) | (175.27) | (139.42) | (58.91) |
| **Net cash generated by operating activities** | **(987.04)** | **(1,231.83)** | **1,450.30** |
| **Cash flows from investing activities** | | | |
| (Investment in) / Proceeds from Bank Deposits | 60.51 | (3.45) | - |
| (Investment) / withdrawal from investments in subsidiary & associates firms | (5.97) | (3.85) | (30.23) |
| (Investment in) / Proceeds from current investments | 238.90 | 776.43 | (954.67) |
| Purchase of property, plant and equipment and other intangible assets | (6.03) | (18.14) | (0.19) |
| Interest Income | 4.55 | 6.51 | 8.00 |
| Proceeds from disposal of property, plant and equipment and other intangible assets | - | 2.55 | - |
| **Net cash used in investing activities** | **291.96** | **760.05** | **(977.09)** |
| **Cash flows from financing activities** | | | |
| Proceeds from long term borrowings | 778.33 | 11.99 | |
| Repayment of long term borrowings | (2.77) | - | |
| Proceeds from short term borrowings (net) | 70.27 | 495.21 | (481.08) |
| Interest paid | (12.81) | (43.29) | (12.98) |
| **Net cash (used in) / generated by financing activities** | **833.01** | **463.90** | **(494.06)** |
| Add / Less : (Loss)/Gain on remeasurement of the defined benefit plan | 0.38 | (1.19) | (0.40) |
| Change in Non-Controlling Interest | 2.68 | (15.11) | (8.37) |
| **Net increase/ (decrease) in cash and cash equivalents** | **140.99** | **(24.18)** | **(29.62)** |
| Cash and cash equivalents at the beginning of the year | 25.21 | 49.39 | 79.02 |
| **Cash and cash equivalents at the end of the year** | **166.20** | **25.21** | **49.39** |

**Arkade Developers Limited (Formerly known as Arkade Developers Private Limited)**
**ANNEXURE IV**
**Restated Consolidated Statement of Cash flow**
**All amounts are ₹ in Millions unless otherwise stated**

| **Particulars** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| | | | |
| **Reconciliation of cash and cash equivalents with the Balance Sheet:** | | | |
| **Cash and cash equivalents at end of the year (Refer Note 15)** | 166.20 | 25.21 | 49.39 |

**Note:**
The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) "Statement of Cash Flow".

The above statement should be read with the Notes to the Restated Consolidated Financial Information- Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial information - Other Information appearing in Annexure VI; and Restatement Adjustments to Restated Standalone Financial information appearing in Annexure VII.

**For Mittal & Associates**
Chartered Accountants
**Firm Reg. No.: 106456W**

**Hemant R Bohra**
**Partner**
**M No. 165667**
Place: Mumbai
Date : July 21, 2023

**For and on behalf of the Board of Directors of**
**Arkade Developers Limited**

**Amit Jain**
**Managing Director**
**DIN : 00139764**

**Arpit Jain**
**Whole-time Director**
**DIN : 06899631**

**Samshet Shetye**
**Chief Financial Officer**

**Sheetal Solani**
**Company Secretary**
**M No. : A45964**

Place: Mumbai
Date : July 21, 2023

**ARKADE DEVELOPERS LIMITED (Formerly known as Arkade Developers Private Limited)**

**Significant Accounting Policies forming part of the Restated Consolidated Financial Information**

## 1 Corporate information

Arkade Developers Limited is a Public Company domiciled in India and incorporated on 13th May, 1986 under the provisions of the Companies Act, 1956 having its registered office situated at Arkade House, Opp. Bhhomi Arkade, Ashok Nagar, Kandivali East, Mumbai, 400 101. The Group is primarily engaged in real estate development. The operations of the Group span all aspects of real estate development, from the identification and acquisition of land, to planning, execution, construction and marketing of Commercial and residetial projects.

This note provides a list of the significant accounting policies adopted in the preparation of the restated consolidated financial information. These policies have been consistently applied to all the periods presented, unless otherwise stated. These restated consolidated financial information are for the Company consisting of Arkade Developers Limited and its subsidiaries & associates (collectively referred to as “Group”). These Restated Consolidated financial information were approved for issue in accordance with a resolution of the directors on July 21, 2023.

## 2 Significant Accounting Policies

### 2.1.1 Basis of preparation

**Compliance with Ind AS**

The restated consolidated financial information of the Company comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash flows for the year ended March 31, 2023, years ended March 31, 2022 and March 31, 2021 and Notes to the Restated Consolidated Financial Information and Statement of Adjustments to Audited Consolidated Financial Statements (collectively, the ‘Restated Consolidated Financial Information’).

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (‘DRHP’) to be filed by the Group with the Securities and Exchange Board of India (“SEBI”), National Stock Exchange of India Limited and BSE Limited in connection with proposed Initial Public Offering (“IPO”) of its equity shares.

The Restated Consolidated Financial Information, which have been approved by the Board of Directors of the Group, have been prepared in accordance with the requirements of:

(i) Section 26 of the Companies Act, 2013 ("the Act") as amended from time to time;

(ii) Paragraph A of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the “SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”); and

(iii) Guidance Note on Reports in Group Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”) as amended from time to time (the “Guidance Note”).

The Restated Consolidated Financial Information have been prepared by the Management from the audited consolidated financial statements as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 which is prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act,

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of auditor’s reports on the audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information:
(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors, if any, and regrouping/reclassifications retrospectively in the period/years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023.
(b) do not require any adjustment for qualification as there are no qualifications in the underlying audit reports.

These Restated financial Information have been prepared on a going concern basis following the accrual basis of accounting in accordance with the Generally accepted Accounting Principles (GAAP) in India (Indian Accounting standards referred to as “IndAS”) as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and relevant amendments rules issued there after and and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These standalone financial statements are presented in INR and all values are rounded to the nearest **Millions** except when otherwise indicated.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

i. Certain financial assets and liabilities that is measured at fair value;
ii. Defined benefit plans-plan assets measured at fair value.
iii. Investments in equity instruments, other than investments in subsidiary & associates firm, measured at fair value thorugh profit & loss account (FVTPL)

**2.1.2 Principles of Consolidation**

**Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the restated consolidated statement of profit and loss, restated consolidated statement of changes in equity and restated consolidated statement of assets and liabilities respectively.

**Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

**Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company’s share of the post acquisition profits or losses of the investee in profit and loss, and the Company’s share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Company’s interest in these entities.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

**2.2 Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**2.3 Property, Plant & Equipments**

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

All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Subsequent costs are included in asset's carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of item can be measured reliably.

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

Capital work- in- progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

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

**2.4 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Group has assessed indefinite life for such brand considering the expected usage, expected investment on brand, business forecast and challenges to establish a premium electronic segment. These are carried at historical cost and tested for impairment annually.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

**Depreciation and Amortisation**

Depreciation on property, plant and equipment is calculated on pro-rata basis on straight-line method using the useful lives prescribed in Schedule II to the Companies Act 2013.

Followings are the estimated useful lives of various category of assets used which are aligned with useful lives defined in schedule II of Companies Act,2013 :

| Fixed Asset Name | No. Of Years Useful Life |
|---|---|
| Vehicles (Car) | 8 Years |
| Office Equipment | 5 Years |
| Computers & Mobiles | 3 Years |
| Software | 8 Years |

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

The useful lives of intangible assets other than having indefinite life :

| **Class of Asset** | **Useful lives** |
|---|---|
| Computer Software | 8 Years |

**2.5 Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the
assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

As per the assessment conducted by the Group there were no indications that the non-financial assets have suffered an impairment loss during the reporting periods.

**2.6 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.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

2.6.1 **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.2 **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
•the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows: and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on th principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on th principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.6.3 **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.6.4 **Financial assets at fair value through profit or loss (FVTPL)**

initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments, which are not held for trading.
Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases, The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurements recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.6.5 **Investments in equity instruments at FVTOCI**

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:
•it has been acquired principally for the purpose of selling it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actua pattern of short-term profit-taking; or
•it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend win flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss is included in the 'Other income' line item.

The Group has not elected for the FVTOCI irrevocable option for this investment.

2.6.6 **Impairment of financial assets**

The Group assesses on a forward-looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

2.6.7 **Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**2.7 Financial liabilities and equity instruments**

2.7.1 **Classification as debt or equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.2 **Equity instruments**

deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.7.3 **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

2.7.4 **Financial liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.
A financial liability is classified as held for trading if:
•It has been incurred principally for the purpose of repurchasing it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actua pattern of short-term profit-taking; or
•it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
• the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
• it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

2.7.5 **Other financial liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.7.6 **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.8 **Investment in Subsidiaries**

The investment in subsidiaries are carried at cost as per IND AS 27. The Group regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if it has all the following:
• power over the investee;
• exposure, or rights, to variable returns from its involvement with the investee and
• the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with Ind AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**2.9 Inventories**

Inventories comprise of: (i) Construction materials and consumables (ii) Construction Work-In-Progress representing properties under construction/development (iii) Finished Inventories representing unsold units in completed projects

The construction materials and consumables are valued at lower of cost or net realisable value. The construction materials and consumables purchased for construction work issued to construction are treated as

The construction work in progress is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

Finished stock of completed projects and stock in trade of units is valued at lower of cost or net realisable value.

2.10 Revenue recognition

Revenue from contacts with customer is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price which is the consideration, adjusted for discount and other credits, if any, as specified in the contract with customer. The Group presents revenue from contracts with customer net of indirect taxes in its statement of profit and loss. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangement.

Income from property development

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated in determining the transaction price, the Group considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The Group satisfies a performance obligation and recognize the revenue over the time if the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to receive payment for performance completed till the date on the basis of the agreement entered with customers, otherwise revenue is recognized point in time. The revenue is recognized at the point in time when the control of the asset is transferred to the customer and the performance obligation is satisfied i.e. on transfer of legal title of the residential unit and on completion of project and occupation certificate is received.

When it is not possible to reasonably measure the outcome of a performance obligation and the Group expect to recover the cost incurred in satisfying the performance obligation revenue is recognized only to the extent of the cost incurred until such time that it can reasonably measure the outcome of the performance obligation

The Group becomes entitled to invoice customers for construction of residential and commercial properties based on achieving a series of construction-linked milestones. When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Any amount previously recognized as a contract asset is reclassified to trade receivable at the point when the Group has the right to receive the consideration that is unconditional. If a customer pays consideration before the Group transfer goods or services to the customer, the contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue, when the Group performs under the contract.

## 2.11 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT) paid in a year is charged to statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance note on Accounting for Credit available in respect of Minimum Alternate Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under the deferred tax assets. The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

## 2.12 Employee Benefits:

### 2.12.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### 2.12.2 Post-employment

**Defined contribution plan**

The Group makes specified monthly contribution towards employee provident fund to Employees' Provident Fund. The Group's contributions to the fund are recognised in the Statement of Profit and Loss in the financial year to which the employee renders the service.

**Defined benefit plan**

The Group's gratuity scheme is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried at the year-end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date.

The Group recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

· Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

· Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**2.13 Transition to Ind AS**

The following is the summary of practical expedients elected on initial application:

•Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

• Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date o initial application, variable lease and low value asset.

•Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

2.14 **Segment reporting :**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment.

The operating segments have been identified on the basis of the nature of products/services. Further:

• Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter–segment revenue.

• Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

• Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

• Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

2.15 **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.16 **Borrowing costs**

Borrowing costs that are directly attributable to real estate project development activities are inventorised / capitalized as part of project cost.

Borrowing costs are inventorised / capitalised as part of project cost when the activities that are necessary to prepare the inventory / asset for its intended use or sale are in progress. Borrowing costs are suspended from inventorisation / capitalisation when development work on the project is interrupted for extended periods and there is no imminent certainty of recommencement of work.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.17 **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short–term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.18 **Foreign currency translation**

**Functional and presentation currency**

The Group's Financial Statements are presented in Indian rupee (₹) which is also the Group's functional currency. Foreign currency transaction are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction

**Measurement of foreign currency item at the balance sheet date:**

- Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on th reporting date.
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions

**Exchange differences:**

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the Statement of Profit & Loss.

**2.19 Provisions, Contingent Liabilities**

2.19.1 **Provisions:**

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When the Group expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in respective expense.

2.19.2 **Provision for Defects Liabilities and Repairs**

As per, Real Estate (Regulation and Development) Act, 2016 (RERA) vide section 14(3) a builder or developer will be liable to repair any defect, on the building sold, for a period of Five years. Further, as per the terms of contracts with customers, the Group is liable for any defects, repairs and other claims for crtain period after completion and handover of the possession of developed properties. Provision for defect liability and repairs is recognized when sales from contracts with customer is recognized. Certain percentage to the sales recognised is applied for the current accounting period to derive the provision for expense to be accrued. The recognition percentage is based on management estimates of the possible future incidence. The claims against defect liability and repairs from customers may not exactly match the historical percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence and revised accordingly.

2.19.3 **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

**2.20 Fair value measurement**

The Group measures financial instruments, such as investments (other than equity investments in subsidiaries and joint ventures) and derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.21 **Critical accounting estimates and assumptions**

The preparation of these Consolidated financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**i. Taxes**

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

**ii. Employee benefit plans**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions 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. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India.

**iii. Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

**iv. Property Plant and Equipment**

Property, Plant and Equipment represent significant portion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

### v. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset including intangible assets having indefinite useful life and goodwill may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use , the estimated future cash flows are estimated based on past trend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

### vi. Provisions for Defect liability and repairs

As per, Real Estate (Regulation and Development) Act, 2016 (RERA) vide section 14(3) a builder or developer will be liable to repair any defect, on the building sold, for a period of Five years. Further, as per the terms of contracts with customers, the Group is liable for any defects, repairs and other claims for crtain period after completion and handover of the possession of developed properties. Provision for defect liability and repairs is recognized when sales from contracts with customer is recognized. Certain percentage to the sales recognised is applied for the current accounting period to derive the provision for expense to be accrued. The recognition percentage is based on management estimates of the possible future incidence. The claims against defect liability and repairs from customers may not exactly match the historical percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence and revised accordingly.

### (vii) Provision for expected credit losses (ECL) of trade receivables and contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the Group does not track changes in credit risk but recognizes impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Group uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss(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 Group reverts to recognizing impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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 on a financial instrument that are possible within 12 months after the reporting date.

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. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

### (vii) Impairment for Investments in Subsidiary & Assocites

Determining whether the investments in subsidiaries are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future operating margins, resources and availability of infrastructure, discount rates and other factors of the underlying businesses/operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

## 2.22 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

### (i) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its Financial Statements.

**(ii) Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant, and equipment in its Financial Statements.

**(iii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Group does not expect the amendment to have any significant impact in its Financial Statements.

**(iv) Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its Financial Statements.

**(v) Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its Financial Statements.

2.23 **First-time adoption – mandatory exceptions, optional exemptions**

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2021 (the transition date) by,

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below. Since, the financial statements are the first financial statements, the first time adoption – mandatory exceptions and optional exemptions have been explained in detail.

**Derecognition of financial assets and financial liabilities:**

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2021 (the transition date).

**(i) Designation of previously recognised financial instruments**

The Group has designated financial liabilities and financial assets at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(ii) Impairment of financial assets**

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**(iii) Deemed cost for investments in subsidiaries**

The Group has elected to continue with the carrying value of all of its investments in subsidiaries recognised as of April 1, 2021 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

**(iv) Deemed cost for property, plant and equipment, and intangible assets**

The Group has elected to continue with the carrying value of all of its property, plant and equipment, and intangible assets recognised as of April 1, 2021 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Arkade Developers Limited (Formerly known as Arkade Developers Private Limited)**
**Annexure VI**
**Notes to the Restated Consolidated Financial Information**
**All amounts are ₹ in Millions unless otherwise stated**

**4 Property, plant and equipment**

| Particulars | Office equipment | Computer | Vehicles | Total |
|---|---|---|---|---|
| **I. Cost/Deemed Cost** | | | | |
| **Balance as at April 1, 2020** | **0.32** | **0.87** | **7.72** | **8.91** |
| Additions | - | 0.19 | - | 0.19 |
| Disposals | (0.18) | (0.52) | - | (0.70) |
| **Balance as at March 31, 2021** | **0.15** | **0.54** | **7.72** | **8.40** |
| | | | | |
| **Balance as at April 1, 2021** | **0.14** | **0.54** | **7.71** | **8.39** |
| Additions | 0.20 | 0.49 | 17.44 | 18.14 |
| Disposals | - | (0.10) | (7.08) | (7.18) |
| **Balance as at March 31, 2022** | **0.34** | **0.93** | **18.07** | **19.34** |
| | | | | |
| **Balance as at April 1, 2022** | | | | |
| Additions | 0.15 | 1.41 | 1.98 | 3.54 |
| Disposals | - | - | - | - |
| **Balance as at March 31, 2023** | **0.50** | **2.33** | **20.05** | **22.88** |
| | | | | |
| **II. Accumulated depreciation** | | | | |
| **Balance as at April 1, 2020** | **0.20** | **0.70** | **3.67** | **4.56** |
| Depreciation expense for the year | 0.03 | 0.13 | 0.92 | 1.08 |
| Eliminated on disposal of assets | (0.18) | (0.52) | - | (0.70) |
| **Balance as at March 31, 2021** | **0.06** | **0.31** | **4.58** | **4.94** |
| | | | | |
| **Balance as at April 1, 2021** | **0.06** | **0.30** | **4.58** | **4.94** |
| Depreciation expense for the year | 0.04 | 0.11 | 0.56 | 0.71 |
| Eliminated on disposal of assets | - | (0.10) | (4.49) | (4.60) |
| **Balance as at March 31, 2022** | **0.09** | **0.31** | **0.65** | **1.06** |
| | | | | |
| **Balance as at April 1, 2022** | | | | |
| Depreciation expense for the year | 0.09 | 0.40 | 2.22 | 2.71 |
| Eliminated on disposal of assets | - | - | - | - |
| **Balance as at March 31, 2023** | **0.18** | **0.71** | **2.87** | **3.77** |
| | | | | |
| **III. Net block balance (I-II)** | | | | |
| **As on March 31, 2023** | **0.31** | **1.62** | **17.18** | **19.11** |
| **As on March 31, 2022** | **0.25** | **0.61** | **17.42** | **18.28** |
| **As on April 1, 2021** | **0.09** | **0.24** | **3.13** | **3.46** |

(a) There are no impairment losses recognised during the year ended March 31, 2023, March 31, 2022 and March 31, 2021

(b) **Assets pledged as security**
a. Vehicles with a carrying amount of ₹ 17.18 millions (as at March 31, 2022: ₹ 17.42 millions and as at April 1, 2021: ₹ 3.13 millions) included in the block of Vehicles have been pledged to secure borrowings of the Group (see note 18.1).

(c) The Company has not revalued its property, plant and equipment as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

(d) The Group does not hold any immovable property, other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee, whose title deeds are not held in the name of the Group.

**All amounts are ₹ in Millions unless otherwise stated**

**5.1 Intangible assets**

| Particulars | Computer Software | Total |
|---|---|---|
| **I. Cost/Deemed cost** | | |
| **Balance as at April 1, 2020** | **-** | **-** |
| Additions | - | - |
| Disposals | - | - |
| **Balance as at March 31, 2021** | **-** | **-** |
| | | |
| **Balance as at April 1, 2021** | **-** | **-** |
| Additions | - | - |
| Disposals | - | - |
| **Balance as at March 31, 2022** | **-** | **-** |
| | | |
| **Balance as at April 1, 2022** | | |
| Additions | 2.49 | 2.49 |
| Disposals | - | - |
| **Balance as at March 31, 2023** | **2.49** | **2.49** |
| | | |
| **II. Accumulated amortisation** | | |
| **Balance as at April 1, 2020** | **-** | **-** |
| Amortisation expense for the year | - | - |
| Eliminated on disposal of assets | - | - |
| **Balance as at March 31, 2021** | **-** | **-** |
| | | |
| **Balance as at April 1, 2021** | **-** | **-** |
| Amortisation expense for the year | - | - |
| Eliminated on disposal of assets | - | - |
| **Balance as at March 31, 2022** | **-** | **-** |
| | | |
| **Balance as at April 1, 2022** | | |
| Amortisation expense for the year | - | - |
| Eliminated on disposal of assets | - | - |
| **Balance as at March 31, 2023** | **-** | **-** |
| | | |
| **III. Net block balance (I-II)** | | |
| **As on March 31, 2023** | **2.49** | **2.49** |
| **As on March 31, 2022** | **-** | **-** |
| **As on April 1, 2021** | **-** | **-** |

5.2 The Group has not revalued its intangible assets as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

5.3 The computer software under Intangible assets is having useful life of indefinite period and hence not amortised.

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**6.1 Investments**

| Particular | As at March 31, 2023 | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | No. of Units | Amount | No. of Units | Amount | No. of Units | Amount |
| **Investments in Current Capital of Associates** | | | | | | |
| Arkade Abode LLP | | - | | 0.78 | | 0.78 |
| Chandak & Arkade Associates | | - | | 0.08 | | 0.08 |
| Atul & Arkade Realty | | 169.73 | | 162.89 | | 159.04 |
| **Total** | | **169.73** | | **163.75** | | **159.90** |
| **Quoted Investments (all fully paid)** | | | | | | |
| **Investments in Mutual Funds** | | | | | | |
| HDFC Low Duration Fund - Regular Plan - Growth | - | - | 28,58,837 | 115.11 | 93,61,024.71 | 421.34 |
| HDFC Overnight Fund Collection | - | - | - | - | 11,563.95 | 35.16 |
| HDFC Ultra Short Term Fund | - | - | 8,86,297 | 10.88 | 1,05,71,922.47 | 125.24 |
| ICICI Prudential Overnight Fund Growth | - | - | - | - | 8,17,082.38 | 90.47 |
| ICICI Prudential Floating Interest Fund - Growth | - | - | - | - | 9,04,900.00 | 293.48 |
| IDFC Ultra Short Term Fund | - | - | - | - | 8,75,790.56 | 10.44 |
| ICICI Prudential Ultra Short Term Fund - Growth | - | - | 47,11,680 | 105.64 | 16,138.92 | 0.35 |
| **Total** | | - | | **231.63** | | **976.46** |
| **Total aggregate unquoted investments** | | | | | | |
| Aggregate amount of market value of quoted investments | | - | | **231.63** | | **976.46** |
| Aggregate amount of cost of quoted investments | | - | | **230.46** | | **960.82** |
| Aggregate amount of cost of unquoted investments | | 169.73 | | 163.75 | | 159.90 |
| Aggregate amount of impairment value of investments | | - | | - | | - |

6.2 The Group has three associate firms and accordingly, the Company is compliant with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017).

**All amounts are ₹ in Millions unless otherwise stated**

6.3 **Details of Investment in Partnership Firms:**

(i) M/s Arkade Abode LLP

| Name of the Partners | As at 31st March 2023 | | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|---|---|
| | Share of Each partner | Total Capital | Share of Each partner | Total Capital | Share of Each partner | Total Capital |
| | (%) | Amount in ` | (%) | Amount in ` | (%) | Amount in ` |
| | | | | | | |
| Arkade Developers Pvt Ltd. | 50.00 | - | 50.00 | 0.78 | 50.00 | 0.78 |
| Sandeep U Jain | 25.00 | - | 25.00 | 0.13 | 25.00 | 0.13 |
| Arpit V Jain | 25.00 | - | 25.00 | 0.11 | 25.00 | 0.11 |
| **Total Capital** | **100.00** | **-** | **100.00** | **1.03** | **100.00** | **1.03** |

(ii) M/s Chandak & Arkade Associates

| Name of the Partners | As at 31st March 2023 | | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|---|---|
| | Share of Each partner | Total Capital | Share of Each partner | Total Capital | Share of Each partner | Total Capital |
| | (%) | Amount in ` | (%) | Amount in ` | (%) | Amount in ` |
| | | | | | | |
| Arkade Developers Pvt Ltd. | 50.00 | - | 50.00 | 0.08 | 50.00 | 0.08 |
| Chandak Realtors Pvt Ltd | 50.00 | - | 50.00 | 0.08 | 50.00 | 0.08 |
| | | | | | | |
| **Total Capital** | **100.00** | **-** | **100.00** | **0.16** | **100.00** | **0.16** |

(iii) M/s Atul & Arkade Realty

| Name of the Partners | As at 31st March 2023 | | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|---|---|
| | Share of Each partner | Total Capital | Share of Each partner | Total Capital | Share of Each partner | Total Capital |
| | (%) | Amount in ` | (%) | Amount in ` | (%) | Amount in ` |
| | | | | | | |
| Arkade Developers Pvt Ltd. | 40.00 | 169.73 | 40.00 | 162.89 | 40.00 | 159.04 |
| Atul Projects India Ltd. | 60.00 | 165.22 | 60.00 | 151.87 | 60.00 | 148.51 |
| | | | | | | |
| **Total Capital** | **100.00** | **334.95** | **100.00** | **314.76** | **100.00** | **307.54** |

(iv) M/s Bhoomi & Arkade Associates

| Name of the Partners | As at 31st March 2023 | | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|---|---|
| | Share of Each partner | Total Capital | Share of Each partner | Total Capital | Share of Each partner | Total Capital |
| | (%) | Amount in ` | (%) | Amount in ` | (%) | Amount in ` |
| | | | | | | |
| Arkade Developers Pvt Ltd. | 34.00 | (3.27) | 34.00 | (35.93) | 34.00 | (124.57) |
| Bhoomi Shashwat Estate Pvt. Ltd. | 66.00 | (7.91) | 66.00 | (98.88) | 66.00 | (257.11) |
| | | | | | | |
| **Total Capital** | **100.00** | **(11.18)** | **100.00** | **(134.81)** | **100.00** | **(381.68)** |

**All amounts are ₹ in Millions unless otherwise stated**

## 7 Loans

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Non-current - unsecured, considered good** | | | |
| (a) Loans to employees | - | - | - |
| **Total** | **-** | **-** | **-** |
| **Current - unsecured, considered good** | | | |
| (a) Loans to employees | 0.91 | 0.15 | 0.23 |
| **Total** | **0.91** | **0.15** | **0.23** |

## 8 Other financial assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Non Current - unsecured, considered good** | | | |
| (a) Deposits with bank | | | |
| - Margin money deposits with banks (held as lien by bank) | 63.72 | 11.00 | 6.50 |
| **Total** | **63.72** | **11.00** | **6.50** |
| **Current - unsecured, considered good** | | | |
| (a) EMD Deposits with societies | 20.00 | 0.10 | 0.30 |
| (b) Security deposits | 0.30 | 0.30 | 0.63 |
| (c) Other receivables | 6.47 | 1.48 | 1.64 |
| **Total** | **26.77** | **1.88** | **2.56** |

## 9 Non-current tax assets (net)

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Advance tax (net of provisions) | 10.80 | 0.54 | 8.83 |
| **Total** | **10.80** | **0.54** | **8.83** |

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**10 Deferred tax asset (net)**

**10 Deferred tax asset/(liabilities) in relation to the year ended March 31, 2023**

| Particulars | Opening Balance as on April 1, 2022 | Recognised in Profit or loss (expense)/ credit | Recognised in Other comprehensive income | Closing balance as on March 31, 2023 |
|---|---|---|---|---|
| Property, plant and equipment | 0.02 | (0.27) | | (0.25) |
| Intangible assets | - | | | - |
| Provisions | 2.69 | 1.08 | | 3.77 |
| Disallowances under Income Tax | - | 3.07 | | 3.07 |
| **Total** | **2.70** | **3.89** | **-** | **6.59** |

**10 Deferred tax asset/(liabilities) in relation to the year ended March 31, 2022**

| Particulars | Opening Balance as at April 01, 2021 | Recognised in Profit or loss (expense)/ credit | Recognised in Other comprehensive income | Closing balance as at March 31, 2022 |
|---|---|---|---|---|
| Property, plant and equipment | 0.29 | (0.27) | | 0.02 |
| Intangible assets | - | | | - |
| Provisions for Employee Benefits | 1.97 | 0.72 | | 2.69 |
| Disallowances under Income Tax | - | | | - |
| **Total** | **2.26** | **0.45** | **-** | **2.70** |

**10 Deferred tax asset/(liabilities) in relation to the year ended March 31, 2021**

| Particulars | Opening Balance as at April 01, 2020 | Recognised in Profit or loss (expense)/ credit | Recognised in Other comprehensive income | Closing balance as at March 31, 2021 |
|---|---|---|---|---|
| Property, plant and equipment | 0.03 | 0.26 | | 0.29 |
| Intangible assets | - | | | - |
| Provisions for Employee Benefits | 0.64 | 1.33 | | 1.97 |
| Disallowances under Income Tax | - | | | - |
| **Total** | **0.67** | **1.59** | **-** | **2.25** |

**All amounts are ₹ in Millions unless otherwise stated**

**11 Other assets**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Non-current** | | | |
| (a) Prepaid Expenses | 0.83 | - | - |
| **Total** | **0.83** | **-** | **-** |
| **Current** | | | |
| (a) Security deposits given against purchase of land | - | 94.70 | 27.21 |
| (b) Balance with Government Authorities | 19.88 | 12.03 | 5.58 |
| (c) Advance to Suppliers | 9.03 | 6.71 | 3.81 |
| (d) Prepaid Expenses | 1.49 | 0.40 | 0.51 |
| (e) Interest Accrued and due | 2.49 | 1.70 | 1.17 |
| (f) Other Receivables | 1.17 | 16.29 | 15.91 |
| **Total** | **34.07** | **131.82** | **54.19** |

**12 Inventories**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **At lower of cost or net realisable value** | | | |
| (a) Work in Progress (Project) | 4,897.81 | 2,990.08 | 2,007.25 |
| (b) Finished Goods | 107.45 | - | 33.63 |
| **Total** | **5,005.26** | **2,990.08** | **2,040.89** |

**13 Trade receivables**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Trade receivables | | | |
| (a) Unsecured, considered good | 37.05 | 52.60 | 126.13 |
| (b) Unsecured, credit Impaired | - | - | - |
| | 37.05 | 52.60 | 126.13 |
| Less: Allowance for doubtful debts | - | - | - |
| **Total** | **37.05** | **52.60** | **126.13** |

**13** The average credit period on sales of goods is 15 days.

**13** Considering the inherent nature of business of the Group, Customer credit risk is minimal. The Group generally does not part away with its assets unless trade receivables are fully realised. Wherever there is doubt on recovery, the Group makes adequate provision based on best estimation of recovery.

Based on prior experience and an assessment of the current economic environment, management believes there is no credit risk provision required, other than those made in the accounts, if any. Also the Group does not have any significant concentration of credit risk.

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**13.4 Aging of receivables**

**As on March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed** | | | | | | |
| - considered good | 27.81 | 0.19 | - | - | 0.10 | 28.10 |
| - credit impaired | | | | | | - |
| **Disputed** | | | | | | |
| - considered good | - | - | 8.86 | 0.09 | - | 8.95 |
| - credit impaired | - | - | - | - | - | - |
| | | | | | | **37.05** |
| Less: Allowance for doubtful debts | | | | | | - |
| **Total** | | | | | | **37.05** |

**As on March 31, 2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed** | | | | | | |
| - considered good | 26.29 | 1.68 | 9.99 | 0.71 | 4.98 | 43.65 |
| - credit impaired | | | | | | - |
| **Disputed** | | | | | | |
| - considered good | 0.39 | 8.47 | 0.09 | - | - | 8.95 |
| - credit impaired | | | | | | - |
| | | | | | | **52.60** |
| Less: Allowance for doubtful debts | | | | | | - |
| **Total** | | | | | | **52.60** |

**As on March 31, 2021**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed** | | | | | | |
| - considered good | 107.52 | 2.74 | 10.79 | 1.99 | 2.99 | 126.03 |
| - credit impaired | | | | | | - |
| **Disputed** | | | | | | |
| - considered good | - | 0.09 | - | - | - | 0.09 |
| - credit impaired | | | | | | - |
| | | | | | | **126.13** |
| Less: Allowance for doubtful debts | | | | | | - |
| **Total** | | | | | | **126.13** |

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**14.1 Cash and cash equivalents**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (a) Cash on hand | 0.11 | 1.25 | 1.32 |
| (b) Balances with banks in current account | 166.08 | 23.97 | 48.07 |
| (c) Cheques in hand | - | - | - |
| **Total** | **166.20** | **25.21** | **49.39** |

14.2 There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting and prior periods.

**15.1 Bank balances other than cash and cash equivalents**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (a) Term deposits with banks (with original maturity of more than three months but less than twelve months) (held as margin money with Banks for guarantees) | 9.52 | 70.03 | 66.58 |
| **Total** | **9.52** | **70.03** | **66.58** |

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**16.1 Equity share capital**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| **Authorised capital** | | | | | | |
| 20,00,000 Equity Shares of ₹ 10/- each | 20,00,000 | 20.00 | 20,00,000 | 20.00 | 20,00,000 | 20.00 |
| | **20,00,000** | **20.00** | **20,00,000** | **20.00** | **20,00,000** | **20.00** |
| **Issued, subscribed and fully paid up** | | | | | | |
| 20,00,000 Equity Shares of ₹ 10/- each | 20,00,000 | 20.00 | 20,00,000 | 20.00 | 20,00,000 | 20.00 |
| | **20,00,000** | **20.00** | **20,00,000** | **20.00** | **20,00,000** | **20.00** |

**16.2** The Company has only one class of equity shares having face value as ₹ 10/- each. 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, after distribution of all preferential amounts. Any dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

**16.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the relevant year | 20,00,000 | 20.00 | 20,00,000 | 20.00 | 20,00,000 | 20.00 |
| Add: Issued during the year | - | - | - | - | - | - |
| **At the end of the year** | **20,00,000** | **20.00** | **20,00,000** | **20.00** | **20,00,000** | **20.00** |

**16.4 Details of shares held by each shareholder holding more than 5% shares:**

| Name of shareholder | As at March 31, 2023 | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Mr. Amit Mangilal Jain | 19,99,710 | 99.99% | 19,99,710 | 99.99% | 19,56,350 | 97.82% |

**16.5 Details of Change in % holding of the Promoters**

| Promoter Name | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Number of shares held | % of total shares | % Change during the year | Number of shares held | % of total shares | % Change during the year |
| Mr. Amit Mangilal Jain | 19,99,710 | 99.99% | 0.00% | 19,99,710 | 99.99% | 2.17% |

| Promoter Name | As at March 31, 2021 | | |
|---|---|---|---|
| | Number of shares held | % of total shares | % Change during the year |
| Mr. Amit Mangilal Jain | 19,56,350 | 97.82% | 3.01% |

**16.6 Aggregate number of bonus share issued and share issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:**
There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

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**17.1 Other equity**

| **Paticulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|---|
| Securities premium | 187.92 | 187.92 | 187.92 |
| Retained earnings | 1,794.60 | 1,287.82 | 783.09 |
| Remeasurement of defined benefit plan | (0.41) | (0.79) | 0.40 |
| **Total** | **1,982.11** | **1,474.95** | **971.41** |

**17.2 Securities premium**

| **Paticulars** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| Balance at beginning of the year | 187.92 | 187.92 | 187.92 |
| Securities premium arising on issue of equity shares | - | - | - |
| Share issue costs | - | - | - |
| **Balance at end of the year** | **187.92** | **187.92** | **187.92** |

Amount received in excess of face value of the equity shares is recognised in Securities Premium. It will be used as per the provisions of Companies Act, 2013, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc.

**17.3 Retained earnings**

| **Paticulars** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| Balance at beginning of the year | 1,287.82 | 783.09 | 571.19 |
| Profit/(Loss) for the year | 506.78 | 504.73 | 211.90 |
| **Balance at end of the year** | **1,794.60** | **1,287.82** | **783.09** |

Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings is a free reserve available to the Company.

**17.4 Remeasurement of defined benefit plan**

| **Paticulars** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| Balance at beginning of the year | (0.80) | 0.40 | - |
| Remeasurement of defined benefit obligation | 0.38 | (1.19) | 0.40 |
| Income tax on above | - | - | - |
| **Balance at end of the year** | **(0.41)** | **(0.80)** | **0.40** |

Includes re-measurement (loss)/gain on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss.

**18.1 Borrowings**

| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|---|
| **Non Current** | | | |
| **Secured from banks:** | | | |
| Vehicle Loan from Bank | 9.21 | 11.99 | - |
| Term Loan from Non-Bank Financial Companies | 778.33 | - | - |
| | **787.54** | **11.99** | **-** |
| **Current** | | | |
| **Secured from banks:** | | | |
| Current maturities of long term loans from banks | 2.77 | 2.42 | - |
| **Unsecured - at amortised cost** | | | |
| Loan from related parties (refer note 39.3) | 694.64 | 629.72 | 136.00 |
| Intercorporate Deposits | 5.00 | - | 0.94 |
| | **702.41** | **632.14** | **136.94** |
| **Total** | **1,489.95** | **644.13** | **136.94** |

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**18.2 Summary of borrowing arrangements**

The terms of repayment of term loans and other loans are stated below:

| Particulars | Terms of repayment | Amount outstanding - 31.03.2023 | Amount outstanding - 31.03.2022 | Amount outstanding - 31.03.2021 |
|---|---|---|---|---|
| **Nature of Security for Non-current borrowings:**<br>**(a) Term Loan from HDFC Bank Limited**<br>**Security**<br>Mortgage of Company's share of Inventory, receivables and Insurance policies of Project namely "Arkade Crown" in Borivali West, Mumbai. Further, It is secured against Morgage of commercial premises of the Director, Mr. Amit Jain, sitated at 2nd Flor, Arkade House, Atmaram Merchant Marg, Kandivali, Mumbai. | The loan is repayable as 10% of the collections out of the said projects receivables by way of escrow sweep<br><br>It carries interst rate @ HDFC-CF-PLR minus 280 basis point spread (effective rate of interest at the time of sanction is 11.25% p.a.). | 145.00 | - | - |
| **(b) Term Loan from Bajaj Housing Finance Limited**<br>**Security**<br>Secured against exclusive first charge by way of Mortgage of unsold Inventory, scheduled receivables and receivables from unsold units and Insurance policies of Project namely "Arkade Aspire" in Goregaon East, | The loan is repayable as 10% of the collections out of the said projects receivables by way of escrow sweep.<br><br>It carries interst rate @ BHFL-I-FRR HFCINS minus 4.45 % spread. .(effective rate of interest at the time of sanction is 11.50% p.a.) | 633.33 | - | - |
| **(c) Vehicle Loan from Bank of Baroda Limited**<br>**Security**<br>Secured against mortgage of Vehicle. | The loan is repayable in 60 equal monthly installment of Rs. 2.93 millions.<br><br>It carries an interest rate of 10.36% p.a. | 11.99 | 14.41 | - |

**All amounts are ₹ in Millions unless otherwise stated**

**18.3** Loan from Director, Mr. Amit Jain, amounting to Rs. 410.31 millions (PY March 2022 Rs. 305.43 millions, PY March 2021 Rs. 17.64 millions) are unsecured and carries interest at rate of 8% p.a. The loans are repayable on demand.

Loan from Director, Mr. Arpit Jain amounting to Rs. 140.66 millions (PY March 2022 Rs. 95.86 millions, PY March 2021 Rs. 5.75 millions) are unsecured and carries interest at rate of 15% p.a. The loans are repayable on demand.

Loan from Director, Mr. Sandeep Jain amounting to Rs. 143.67 millions (PY March 2022 Rs. 112.57 millions, PY March 2021 Rs. 8.65 millions) are unsecured and carries interest at rate of 15% p.a. The loans are repayable on demand.

Loan from Relative of Directors, Mrs. Kala Jain amounting to Rs. Nil (PY March 2022 Rs. 16.56 millions, PY March 2021 Rs. 1.30 millions) are unsecured and carries interest rate of 15% p.a.. The loans are repayable on demand.

Loan from Relative of Directors, Mr. Mangilal Jain amounting to Rs. Nil (PY March 2022 Rs. 56.00 millions, PY March 2021 Rs. 56.00 millions) are unsecured and interest free. The loans are repayable on demand.

Loan from Relative of Directors, Mrs. Sajjan Jain amounting to Rs. Nil (PY March 2022 Rs. 29.10 millions, PY March 2021 Rs. 31.40 millions) are unsecured and interest free. The loans are repayable on demand.

Loan from Relative of Directors, Vikram Jain amounting to Rs. Nil (PY March 2022 Rs. Nil, PY March, 2021 Rs. 1.60 millions) are unsecured and interest free. The loans are repayable on demand.

Loan from Atul Projects (India) Private Limited amounting to Rs. 5.00 millions (PY March 2022 Rs. Nil, PY March 2021 Rs. Nil) is unsecured and interest free. The loan is repayable on demand.

**18.4 Reconciliation of liabilities arising from financing activities**

The table below details changes in the Company’s liabilities arising from financing activities, including both cash and non–cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company’s statement of cash flows as cash flows from financing activities.

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| **Term loans from banks / Non Banking financial companies** | | | |
| Balance at beginning of year of relevant year | 644.13 | 136.94 | 603.96 |
| **Financing cash flows** | | | |
| - Proceeds from issue of long term / short term borrowings | 1,170.06 | 542.71 | 146.24 |
| - Repayment of long term borrowings | 384.48 | 57.36 | 618.63 |
| **Non-cash changes** | | | |
| - Transaction cost of long term borrowings (net) | (13.28) | - | - |
| - Interest accruals on account of amortisation | 73.53 | 21.85 | 5.36 |
| **Balance at end of year** | **1,489.95** | **644.13** | **136.94** |

**18.5** The Group has availed working capital term loans in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets for the specific projects. Quarterly returns / statements and other information filed with such Banks/ financial institutions are in agreement with the books of accounts.

**All amounts are ₹ in Millions unless otherwise stated**

**19.1 Other financial liabilities**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at April 1, 2021 |
|---|---|---|---|
| **Non-current** | | | |
| **Financial liabilities at amortised cost:** | - | - | - |
| **Total** | **-** | **-** | **-** |
| **Current** | | | |
| **Financial liabilities at amortised cost:** | | | |
| Security deposits received from customer | 19.70 | 40.57 | 25.33 |
| Interest accrued but not due | 2.54 | - | |
| Society maintenance liabilities (net of expense incurred) | 6.24 | 0.08 | 14.22 |
| Employee Benefits payable | 51.95 | 8.15 | 2.73 |
| Accrued Expenses | 1.33 | 0.29 | 1.87 |
| Project Expenses Payable | 54.57 | 24.39 | 24.40 |
| Other payables | 0.94 | 3.61 | 5.23 |
| **Total** | **137.29** | **77.08** | **73.78** |

19.2 Refer note 40.2 on financial instruments.

**20.1 Provisions**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at April 1, 2021 |
|---|---|---|---|
| **Non-current** | | | |
| Provision for employee benefits | | | |
| - Gratuity | 10.43 | 8.74 | 6.45 |
| - Leave Encashment | 0.49 | 0.38 | 0.34 |
| **Total** | **10.91** | **9.12** | **6.79** |
| **Current** | | | |
| Provision for employee benefits | | | |
| - Gratuity | 1.74 | 1.45 | 0.92 |
| - Leave Encashment | 0.10 | 0.07 | 0.06 |
| Provision for defect liability & repairs | 27.21 | 29.42 | 23.03 |
| **Total** | **29.05** | **30.95** | **24.01** |

**21.1 Trade payables**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (a) Total outstanding dues of small and micro enterprises | 79.66 | 32.54 | 60.91 |
| (b) Total outstanding dues of creditors other than small and micro enterprises | 155.53 | 104.77 | 162.01 |
| **Total** | **235.19** | **137.32** | **222.92** |

21.2 The average credit period on purchases is 30 days.

21.3 For explanations on the Company’s liquidity risk management processes Refer note 40.3 (iii)

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**21.4 Ageing of trade payables**

**As on March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed dues** | | | | | | |
| - MSME | 64.21 | 14.92 | - | 0.54 | - | 79.66 |
| - Others | 129.16 | 25.59 | 0.27 | 0.17 | 0.33 | 155.53 |
| **Disputed dues** | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| **Total** | **193.37** | **40.51** | **0.27** | **0.70** | **0.33** | **235.19** |

**As on March 31, 2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed dues** | | | | | | |
| - MSME | 19.68 | 11.09 | 1.77 | - | - | 32.54 |
| - Others | 34.95 | 21.20 | 6.01 | 42.36 | 0.25 | 104.77 |
| **Disputed dues** | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| **Total** | 54.63 | 32.29 | 7.78 | 42.36 | 0.25 | 137.32 |

**As on March 31, 2021**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed dues** | | | | | | |
| - MSME | 41.25 | 19.66 | - | - | - | 60.91 |
| - Others | 46.45 | 41.77 | 48.64 | 18.17 | 6.99 | 162.01 |
| **Disputed dues** | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| **Total** | 87.71 | 61.42 | 48.64 | 18.17 | 6.99 | 222.92 |

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**21.5 Disclosures as required under the Micro, Small and Medium Enterprises Development Act,**

The amounts due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|---|
| (a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end | 79.66 | 32.54 | 60.91 |
| (b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end | - | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period | - | - | - |
| (c) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period | - | - | - |
| (d) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act,beyond the appointed day during the period | - | - | - |
| (e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - | - |
| (g) Further interest remaining due and payable for earlier periods | - | - | - |

**22.1 Other current liabilities**

| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|---|
| Statutory remittances | 98.76 | 27.40 | 43.44 |
| Advance from Customers | 1,545.97 | 1,244.78 | 1,864.11 |
| Current Account balance with Partnership Firms & LLP's | 3.27 | 35.93 | 124.57 |
| **Total** | **1,648.01** | **1,308.11** | **2,032.11** |

**23.1 Current tax liabilities (net of advance tax)**

| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|---|
| Income tax payable (net of advance tax) | - | - | - |
| **Total** | **-** | **-** | **-** |

**All amounts are ₹ in Millions unless otherwise stated**

**24.1 Revenue from operations**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| Sale of Properties | 2,191.57 | 2,230.11 | 902.56 |
| **Other operating revenues** | | | |
| Development and amenities charges from Sale of Flats | 9.96 | 59.24 | 180.15 |
| **Total** | **2,201.52** | **2,289.34** | **1,082.70** |

**24.2** The Group has provided for impairment losses, if any, based on expected credit loss policy on trade receivable recognised in statement of profit and loss for the year ended March 31, 2023 and March 31, 2022.

**24.3 Contract balances**

Refer details of trade receivables in note 13.1 & advance from customers in note 22.1

**24.4** The Group receives payments from customers as per agreed contractual terms and payment schedules. Accounts receivable are recorded when the right to consideration becomes unconditional.

**24.5 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| Revenue from contracts with customers | 2,191.57 | 2,230.11 | 902.56 |
| Add: Credits / Returns | - | - | - |
| **Contracted price with the customers** | **2,191.57** | **2,230.11** | **902.56** |

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**25.1 Other income**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| **Interest Income on fianancial assets measures at amortised cost** | | | |
| - From bank deposits | 3.67 | 3.79 | 3.72 |
| - From delayed payments by customers | 0.87 | 2.72 | 4.28 |
| | **4.55** | **6.51** | **8.00** |
| **Other gains and losses** | | | |
| - Net gain arising on financial investments measure at FVTPL | - | 1.16 | 5.11 |
| - Gain on sale of current investments | 7.27 | 30.43 | 1.05 |
| | **7.27** | **31.59** | **6.16** |
| **Other non-operating income** | | | |
| - Cancellation Charges Received from Customers | 0.49 | 0.59 | - |
| - Commission Received | 1.08 | 1.09 | 1.38 |
| - Balances / Provisions written back (net) | 24.44 | 36.18 | 32.78 |
| - Miscellaneous income | 0.77 | 6.50 | 0.84 |
| | **26.78** | **44.38** | **35.00** |
| **Total** | **38.61** | **82.48** | **49.15** |

**26.1 Cost of Constructions**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| Land & Land Related cost | 1,443.91 | 1,327.85 | 110.04 |
| Construction Cost | 1,715.52 | 1,122.96 | 443.63 |
| **Allocated expenses to project:** | | | |
| Finance cost (refer note 29.1) | 66.24 | - | - |
| Employee benefits expense (refer note 28.1) | 5.00 | - | - |
| Other expenses (refer note 31.1) | 113.61 | 97.98 | 31.49 |
| **Total** | **3,344.28** | **2,548.79** | **585.16** |

**27.1 Changes in inventories of finished goods and work in progress**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| **Inventories at the beginning of the year** | | | |
| -Finished Units (Completed Projects) | - | 33.63 | 2,119.93 |
| -Work in Progress (Projects under construction / development) | 2,990.08 | 2,007.25 | |
| **Inventories at the end of the year** | | | |
| -Finished Units (Completed Projects) | 107.45 | - | 33.63 |
| -Work in Progress (Projects under construction / development) | 4,897.81 | 2,990.08 | 2,007.25 |
| **Net (increase)/decrease** | **(2,015.19)** | **(949.19)** | **79.04** |

**28.1 Employee benefits expense**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| Salaries, wages and bonus | 68.79 | 43.45 | 34.97 |
| Director's Remuneration & Bonus | 101.70 | 33.24 | 23.76 |
| Contribution to provident and other funds (Refer note 36.1) | 0.46 | 0.15 | 0.09 |
| ESIC Contribution | 0.07 | 0.00 | - |
| Gratuity (Refer note 38) | 2.36 | 1.63 | 1.47 |
| Leave Encashment | 0.13 | 0.06 | 0.30 |
| Staff Training & Recruitment Expense | 1.55 | 0.20 | - |
| Staff welfare expenses | 0.77 | 0.74 | 0.71 |
| | **175.83** | **79.46** | **61.30** |
| Employee benefits expense allocated to Cost of Constructions (refer note 26.1) | (5.00) | - | - |
| **Total** | **170.83** | **79.46** | **61.30** |

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**29.1 Finance cost**

| **Particulars** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| Interest cost - on financial liabilities at amortised cost | | | |
| - Borrowings from banks | 1.17 | 0.20 | - |
| - Borrowings from NBFC's | 11.48 | - | - |
| - Borrowings from Others | 61.99 | 40.91 | 12.59 |
| Transaction cost related to long term borrowings | 0.24 | - | - |
| Bank Charges and Stamp Duty Charges on long term borrowings | 4.18 | 2.18 | 0.39 |
| | **79.05** | **43.29** | **12.98** |
| Finance cost allocated to Cost of Constructions (refer note 26.1) | (66.24) | - | - |
| **Total** | **12.81** | **43.29** | **12.98** |

**30.1 Depreciation and amortisation expenses**

| **Particulars** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| Depreciation of property, plant and equipment | 2.71 | 0.71 | 1.09 |
| Amortisation of intangible assets * | - | - | - |
| **Total** | **2.71** | **0.71** | **1.09** |

*** The computer software under Intangible assets is having useful life of indefinite period and hence not amortised.**

**31.1 Other expenses**

| **Particulars** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| Brokerage & Commission | 46.04 | 40.51 | 34.58 |
| Business Promotion & Advertising | 78.21 | 7.91 | 4.31 |
| Computer Expenses | 0.18 | 0.16 | 0.13 |
| Donation & CSR Expense | 8.33 | 8.63 | 3.69 |
| Electricity Charges | 0.55 | 1.32 | 0.31 |
| House Keeping Expenses | 3.15 | 2.67 | 4.26 |
| Insurance Expenses | 0.86 | 0.70 | 0.65 |
| Auditors Remuneration (As per Note 31.2) | 0.40 | 0.04 | 0.13 |
| Loss on Sale of Fixed Assets | - | 0.03 | - |
| Legal & Professional Fees | 54.96 | 45.04 | 42.30 |
| Motor Car Expenses | 0.58 | 0.50 | 0.56 |
| Printing & stationary | 1.09 | 0.86 | 1.25 |
| Repair & Maintenance Expenses - Others | 0.98 | 0.27 | 0.28 |
| Security Expenses | 7.44 | 3.24 | 2.02 |
| GST Reversed / Paid | - | 40.96 | 25.87 |
| Software & IT related Expenses | 1.97 | 1.67 | 0.11 |
| Travelling & Conveyance Expenses | 2.14 | 0.99 | 1.01 |
| Miscellaneous Expenses | 5.43 | 8.30 | 5.27 |
| | **212.30** | **163.81** | **126.74** |
| Other expenses allocated to Cost of Constructions (refer note 26.1) | (113.61) | (97.98) | (31.49) |
| **Total** | **98.69** | **65.83** | **95.25** |

| **31.2 Auditors remuneration and out-of-pocket expenses (net of GST):** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| (i) For audit | 0.40 | 0.04 | 0.13 |
| (ii) For taxation matters | - | - | - |
| (iii) For other services | - | - | - |
| (iv) For certification work | - | - | - |
| (v) Auditors out-of-pocket expenses | - | - | - |
| **Total** | **0.40** | **0.04** | **0.13** |

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**31.3 Expenses on corporate social responsibility**

| No. | Particulars | For year ended March 31, 2023 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|---|
| 1 | Gross amount required to be spent by the Company during the period/ year (under Section 135 of the Companies Act, 2013) | 7.66 | 4.41 | 3.20 |
| 2 | **Amount of expenditure incurred** | | | |
| | (i) Construction/acquisition of any asset | - | - | - |
| | (ii) On purposes other than (i) above | 7.94 | 4.50 | 3.22 |
| 3 | **Amount not spend during the year on:** | | | |
| | (i) Construction/acquisition of any asset | - | - | - |
| | (ii) On purposes other than (i) above | - | - | - |
| 3 | Shortfall at the end of the year | - | - | - |
| 4 | Total of previous years shortfall | - | - | - |
| 5 | Reason for shortfall | | | |
| | - Adoption of long gestation program/project | | | |
| 6 | Amount yet to be spent/paid | - | - | - |
| 7 | Details of Related party transactions | | | |
| | - Contributions to the trust in which directors are trustee | 2.13 | - | - |
| 8 | Liability incurred by entering into contractual obligations | - | - | - |
| 9 | Nature of CSR activities: | a. Promoting health care including preventive health care and sanitation<br>b. Protection of Art/ culture<br>c. Ensuring environmental sustainability and maintaining quality of soil, air and water<br>d. Eradicating hunger, poverty and malnitrition | a. Promoting health care including preventive health care and sanitation<br>b. Protection of Art/ culture<br>c. Ensuring environmental sustainability and maintaining quality of soil, air and water<br>d. Eradicating hunger, poverty and malnitrition | a. Promoting health care including preventive health care and sanitation<br>b. Protection of Art/ culture<br>c. Ensuring environmental sustainability and maintaining quality of soil, air and water<br>d. Eradicating hunger, poverty and malnitrition |

**All amounts are ₹ in Millions unless otherwise stated**

**32.1 Current Tax and Deferred Tax**

**32.2 Income Tax Expense recognised in statement of profit and loss**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| **Current Tax:** | | | |
| Current income tax charge | 165.01 | 147.73 | 76.89 |
| Short provision of tax relating to earlier years | - | - | - |
| | **165.01** | **147.73** | **76.89** |
| **Deferred Tax expense/ (credit)** | | | |
| In respect of current period | (3.89) | (0.45) | (3.13) |
| | **(3.89)** | **(0.45)** | **(3.13)** |
| **Total tax expense/(credit) recognised in statement of profit and loss** | **161.12** | **147.28** | **73.76** |

**32.3 Income Tax recognised in other Comprehensive Income**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| **Deferred Tax (Liabilities)/Assets:** | | | |
| Remeasurement of Defined Benefit Obligations | - | - | - |
| **Total** | **-** | **-** | **-** |

**32.4 Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:**

| **Particulars** | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| **Profit/(Loss) before tax** | **667.73** | **655.72** | **290.95** |
| Less: Income taxed at different tax rate | (7.27) | (30.43) | (1.05) |
| Profit/(Loss) Before tax | **660.46** | **625.29** | **289.90** |
| Income Tax using the Company's domestic Tax rate # | 166.22 | 157.37 | 72.96 |
| Effect of expenses / Income that are not deductible in determining taxable profit | 3.76 | (0.48) | 0.85 |
| Effect of income that is not taxable in determining taxable profit | (10.51) | (18.32) | 1.53 |
| Effect of income taxed at different rate | 2.12 | 8.86 | 0.26 |
| Effect of adoption of Ind AS | 3.40 | 0.29 | 1.29 |
| Income tax related earlier year | - | - | - |
| **Income tax expense recognised in Statement of Profit or Loss** | **165.01** | **147.73** | **76.89** |

# The tax rate used for the reconciliations above is the corporate tax rate of plus surcharge (as applicable) on corporate tax, education cess and secondary and higher education cess on corporate tax, payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

In pursurance of Section 115BAA of the Income Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has opted for irrevocable option of shifting to lower tax rate w.e.f FY 19-20.

32.5 The Group does not have any unrecorded income and assets related to previous years which are required to be recorded during the year.

**All amounts are ₹ in Millions unless otherwise stated**

**33.1 Earning per share**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| (a) Profit/Loss for the year | 506.78 | 504.73 | 211.90 |
| (b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share (numbers) | 20,00,000 | 20,00,000 | 20,00,000 |
| (c) Effect of issued of ordinary bonus shares (numbers)* | 15,00,00,000 | 15,00,00,000 | 15,00,00,000 |
| (d) Weighted average number of ordinary shares in computing diluted earnings per share [(b) + (c)] (numbers) | 15,20,00,000 | 15,20,00,000 | 15,20,00,000 |
| (e) Earnings per share on Profit for the year (Face Value ₹ 10/- per share) | | | |
| – Basic [(a)/(b)] (₹) | 3.33 | 3.32 | 1.39 |
| – Diluted [(a)/(d)] (₹) | 3.33 | 3.32 | 1.39 |

*Note : Pursuant to the resolution passed in the meeting of shareholders held on July 06, 2023, the Company has allotted 15,00,00,000 equity shares of face value of Rs. 10/- each, as a bonus Shares in the ratio of 75 : 1 to the existing equity shareholders. Hence, weighted average number of equity shares outstanding for all comparative period presented have now been adjusted on account of bonus done by company.

**34.1 Contingent liabilities and commitments (to the extent not provided for)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Contingent liabilities :** | | | |
| (i) Bank Guarantees | 19.00 | 16.50 | 6.50 |
| (ii) Demands/Claims by Government Authorities not acknowledged as debts and contested/to be contested by the Group: | | | |
| Service Tax - FY 2016-17 | 0.89 | 0.89 | 0.89 |
| Goods & Service Tax - FY 2017-18 to FY 2022-23 * | 297.54 | 272.35 | 191.62 |

**34.2** * The figures for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 includes the amount of contingent liabilities for the respective years, where show cause notice or claims have been received after the close of respective reporting period and till the date of approval of this fianncial statements by the Board of Directors.

**34.3** The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business, the impact of which presently is not quantifiable. These cases are pending with various courts / authorities. After considering the circumstances and advice from the legal advisors, management believes that these cases will not adversely affect its financial statements. The above Contingent Liabilities exclude undeterminable outcome of these pending litigations.

**34.4** Future cash flow in respect of the above, if any, is determinable only on receipt of judgements/decisions pending with the relevant authorities. Interest, penalty or compensation liability arising on outcome of the disputes has not been considered, since not determinable at present.

**34.5** The Group did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.

**35.1 Segment information**

For management purposes, the Group is into one reportable segment i.e. Real Estate development.

The Managing Director is the Chief Operating Decision Maker of the Company who monitors the operating results of the Group for the purpose of making decisions about resource allocation and performance assessment. The Company's performance as single segment is evaluated and measured consistently with profit or loss in the standalone financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis.

**35.2 Geographical information**

The Group operates in one geographical environment only i.e. in India.
The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

| Particulars | Revenue from External Customers | | |
|---|---|---|---|
| | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
| Within India | 2,201.52 | 2,289.34 | 1,082.70 |
| Outside India | - | - | - |
| **Total** | **2,201.52** | **2,289.34** | **1,082.70** |

| Particulars | Non-current Assets | | |
|---|---|---|---|
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
| Within India | 22.42 | 18.28 | 3.46 |
| Outside India | - | - | - |
| **Total** | **22.42** | **18.28** | **3.46** |

**35.3 Information about major customers**

No single customer contributed 10% or more to the Group's revenue for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

**35.4** The reporting segment includes a number of sales operations in various cities within India each of which is considered as a separate operating segment by the CODM. For financial statements presentation purposes, these individual operating segments have been aggregated into a single reportable operating segment taking into account the following factors:

- these operating segments have similar long-term gross profit margins;
- the nature of the products and production processes are similar; and
- the methods used to distribute the products to the customers are the same.

**All amounts are ₹ in Millions unless otherwise stated**

**36.1 Employee benefit plans**

**36.2 Defined contribution plans:**

The Group participates in Provident fund as defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to provident fund represents the value of contributions payable during the period by The Company at rates specified by the rules of provident fund. The only amounts included in the balance sheet are those relating to the prior months contributions that were not paid until after the end of the reporting period.

**(a) Provident fund and pension**

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Group.

Contribution to defined contribution plans, recognised in the statement of profit and loss for the year under employee benefits expense, are as under:

| Particulars | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|---|---|---|
| i) Employer's contribution to provident fund and pension | 0.46 | 0.15 | 0.09 |
| ii) Employer's contribution to state insurance corporation | 0.07 | 0.00 | - |
| **Total** | **0.54** | **0.15** | **0.09** |

**(b) Defined benefit plans:**
**Gratuity (Unfunded)**

The Company has an obligation towards gratuity, a unfunded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement or at death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out for the year ended March 31, 2023 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**(A) Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:**

**(1) Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:
i) Adverse Salary Growth Experience
ii) Variability in mortality rates
iii) Variability in withdrawal rates

**(2) Investment Risk**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

**(3) Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group there can be strain on the cashflows.

**(4) Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**(5) Legislative Risk**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**(B) Principal actuarial assumptions used:**

The principal assumptions used for the purposes of the actuarial valuations were as follows.

| | Gratuity (Unfunded) | | |
|---|---|---|---|
| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at March 31, 2021** |
| 1. Discount rate - Company | 7.40% | 6.85% | 6.50% |
| 2. Salary escalation - Company | 10.00% | 10.00% | 10.00% |
| 3. Rate of employee turnover - Company | Age 25 & Below : 25 %, Age 25 to 35 : 20 %, Age 35 to 45 : 15 %, Age 45 to 55 : 10 %, Age 55 & above : 5 % | Age 25 & Below : 25 %, Age 25 to 35 : 20 %, Age 35 to 45 : 15 %, Age 45 to 55 : 10 %, Age 55 & above : 5 % | Age 25 & Below : 25 %, Age 25 to 35 : 20 %, Age 35 to 45 : 15 %, Age 45 to 55 : 10 %, Age 55 & above : 5 % |
| 4. Mortality rate | Indian Assured Lives Mortality (2012-14) Ult. | | |

**All amounts are ₹ in Millions unless otherwise stated**

**(C) Expenses recognised in profit and loss**

| Particulars | Gratuity (Unfunded) | | |
|---|---|---|---|
| | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
| Service cost: | | | |
| Current service cost | 1.71 | 1.18 | 1.08 |
| Net Interest cost | 0.65 | 0.45 | 0.39 |
| **Components of defined benefit cost recognised in profit or loss** | **2.36** | **1.63** | **1.47** |

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' line item in the Statement of profit and loss.

**(D) Net interest cost recognised in profit or loss:**

| Particulars | Gratuity (Unfunded) | | |
|---|---|---|---|
| | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
| Interest cost | 0.65 | 0.45 | 0.39 |
| Interest income | - | - | - |
| **Net interest cost recognised in profit or loss** | **0.65** | **0.45** | **0.39** |

**(E) Expenses recognized in the Other Comprehensive Income (OCI)**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| Actuarial (gains)/losses on obligation for the year | | | |
| - Due to changes in demographic assumptions | - | - | |
| - Due to changes in financial assumptions | (0.39) | (0.21) | 0.05 |
| - Due to experience adjustment | 0.00 | 1.40 | (0.45) |
| Return on plan assets, excluding interest income | - | - | |
| **Net (income)/expense for the period recognized in OCI** | **(0.38)** | **1.19** | **(0.40)** |

**(F) Amount recognised in the consolidated balance sheet**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Present value of defined benefit obligation as at the end of the year | 12.17 | 10.19 | 7.37 |
| Fair value of plan assets | | | |
| | **12.17** | **10.19** | **7.37** |

**(G) Net asset/(liability) recognised in the consolidated balance sheet**

| Recognised under: | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Long term provision | 10.43 | 8.74 | 6.45 |
| Short term provision | 1.74 | 1.45 | 0.92 |
| **Total** | **12.17** | **10.19** | **7.37** |

**(H) Movements in the present value of defined benefit obligation are as follows:**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| Opening defined benefit obligation | 10.19 | 7.37 | 6.30 |
| Current service cost | 1.71 | 1.18 | 1.08 |
| Interest cost | 0.65 | 0.45 | 0.39 |
| Actuarial losses / (Gain) | (0.38) | 1.19 | (0.40) |
| Benefits paid from the fund | - | - | - |
| **Closing defined benefit obligation** | **12.17** | **10.19** | **7.37** |

**All amounts are ₹ in Millions unless otherwise stated**

**(I) Maturity profile of defined benefit obligation:**

| **Projected benefits payable in future years from the date of reporting** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| Year 1 cashflow | 1.74 | 1.45 | 0.92 |
| Year 2 cashflow | 1.73 | 1.36 | 0.91 |
| Year 3 cashflow | 1.57 | 1.32 | 0.85 |
| Year 4 cashflow | 1.40 | 1.20 | 0.84 |
| Year 5 cashflow | 1.29 | 1.07 | 0.78 |
| Year 6 to year 10 cashflow | 5.08 | 3.77 | 2.78 |
| **Total expected payments** | **12.82** | **10.17** | **7.09** |

**(J) Sensitivity analysis**

The Sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the lied assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

| **Projected benefits payable in future years from the date of reporting** | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
|---|---|---|---|
| **Projected benefit obligation on current assumptions** | | | |
| **Rate of discounting** | | | |
| Impact of +0.5% change | 11.84 | 9.91 | 7.15 |
| (% change) | (2.72%) | (2.79%) | (3.00%) |
| Impact of -0.5% change | 12.52 | 10.49 | 7.61 |
| (% change) | 2.87% | 2.94% | 3.18% |
| | | | |
| **Rate of salary increase** | | | |
| Impact of +0.5% change | 12.32 | 10.31 | 7.49 |
| (% change) | 1.22% | 1.18% | 1.59% |
| Impact of -0.5% change | 12.04 | 10.08 | 7.24 |
| (% change) | (1.07%) | (1.07%) | (1.74%) |
| | | | |
| **Withdrawal Rate (W.R.)** | | | |
| W.R. x 110% | 12.28 | 10.26 | 7.39 |
| (% change) | 0.90% | 0.72% | 0.21% |
| W.R. x 90% | 12.04 | 10.10 | 7.35 |
| (% change) | (1.09%) | (0.89%) | (0.34%) |

**(K) Other disclosures**

The weighted average duration of the obligations as at March 31, 2023 is 6.89 years (as at March 31, 2022: 6.92 years and April 1, 2021: 7.07 Years).

**All amounts are ₹ in Millions unless otherwise stated**

**(c) Leave Encashment plan**

**(A) Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:**

**(1) Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:
i) Adverse Salary Growth Experience
ii) Variability in mortality rates
iii) Variability in withdrawal rates
iv) Variability in availment rates

**(2) Investment Risk**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

**(3) Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Entity there can be strain on the
cash flows.

**(4) Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**(5) Legislative Risk**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Shop and Establishment Act, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**(B) Principal actuarial assumptions used:**

The principal assumptions used for the purposes of the actuarial valuations were as follows.

| | **Leave Encashment** | | |
|---|---|---|---|
| **Particulars** | **As at March 31, 2023** | **As at March 31, 2022** | **As at March 31, 2021** |
| 1. Discount rate - Company | 7.40% | 6.85% | 6.50% |
| 2. Salary escalation - Company | 10.00% | 10.00% | 10.00% |
| 3. Rate of employee turnover - Company | Age 25 & Below : 25 %,<br>Age 25 to 35 : 20 %,<br>Age 35 to 45 : 15 %,<br>Age 45 to 55 : 10 %,<br>Age 55 & above : 5 % | Age 25 & Below : 25 %,<br>Age 25 to 35 : 20 %,<br>Age 35 to 45 : 15 %,<br>Age 45 to 55 : 10 %,<br>Age 55 & above : 5 % | Age 25 & Below : 25 %,<br>Age 25 to 35 : 20 %,<br>Age 35 to 45 : 15 %,<br>Age 45 to 55 : 10 %,<br>Age 55 & above : 5 % |
| 4. Mortality rate | Indian Assured Lives Mortality (2012-14) Ult. | | |

**(C) Expenses recognised in profit and loss**

| **Particulars** | **Leave Encashment** | | |
|---|---|---|---|
| | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
| Service cost: | | | |
| Current service cost | 0.17 | 0.12 | 0.09 |
| Net Interest cost | 0.03 | 0.02 | 0.02 |
| Net value of remeasurements on the obligation and plan assets | (0.07) | (0.09) | (0.01) |
| **Components of defined benefit cost recognised in profit or loss** | **0.13** | **0.06** | **0.10** |

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' line item in the Statement of profit and loss.

**(D) Net interest cost recognised in profit or loss:**

| **Particulars** | **Leave Encashment** | | |
|---|---|---|---|
| | **For year ended March 31, 2023** | **For year ended March 31, 2022** | **For year ended March 31, 2021** |
| Interest cost | 0.03 | 0.02 | 0.02 |
| Interest income | - | - | - |
| **Net interest cost recognised in profit or loss** | **0.03** | **0.02** | **0.02** |

**(E) Remeasurements on the Obligation and Plan Assets**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| Actuarial (gains)/losses on obligation for the year | | | |
| - Due to changes in demographic assumptions | - | - | - |
| - Due to changes in financial assumptions | (0.02) | (0.01) | 0.00 |
| - Due to experience adjustment | (0.05) | (0.08) | (0.01) |
| Return on plan assets, excluding interest income | - | - | |
| **Net (Gain)/Loss for the period recognized in OCI** | **(0.07)** | **(0.09)** | **(0.01)** |

**(F) Amount recognised in the consolidated balance sheet**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Present value of defined benefit obligation as at the end of the year | 0.59 | 0.46 | 0.40 |
| Fair value of plan assets | - | - | - |
| | **0.59** | **0.46** | **0.40** |

**(G) Net asset/(liability) recognised in the consolidated balance sheet**

| Recognised under: | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Long term provision | 0.49 | 0.38 | 0.34 |
| Short term provision | 0.10 | 0.07 | 0.06 |
| **Total** | **0.59** | **0.46** | **0.40** |

**(H) Movements in the present value of defined benefit obligation are as follows:**

| Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| Opening defined benefit obligation | 0.46 | 0.40 | 0.30 |
| Transfer in/(out) obligation | - | - | - |
| Current service cost | 0.17 | 0.12 | 0.09 |
| Interest cost | 0.03 | 0.02 | 0.02 |
| Actuarial losses | (0.07) | (0.09) | (0.01) |
| Benefits paid from the fund | - | - | - |
| **Closing defined benefit obligation** | **0.59** | **0.46** | **0.40** |

**(I) Maturity profile of defined benefit obligation:**

| Projected benefits payable in future years from the date of reporting | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| Year 1 cashflow | 0.10 | 0.07 | 0.06 |
| Year 2 cashflow | 0.09 | 0.07 | 0.06 |
| Year 3 cashflow | 0.08 | 0.06 | 0.05 |
| Year 4 cashflow | 0.07 | 0.05 | 0.05 |
| Year 5 cashflow | 0.07 | 0.05 | 0.04 |
| Year 6 to year 10 cashflow | 0.26 | 0.20 | 0.16 |
| **Total expected payments** | **0.67** | **0.50** | **0.43** |

**(J) Sensitivity analysis**

The Sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the lied assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

| Projected benefits payable in future years from the date of reporting | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|
| **Projected benefit obligation on current assumptions** | | | |
| **Rate of discounting** | | | |
| Impact of +0.5% change | 0.57 | 0.45 | 0.39 |
| (% change) | (2.36%) | (2.47%) | (2.53%) |
| Impact of -0.5% change | 0.60 | 0.47 | 0.41 |
| (% change) | 2.48% | 2.59% | 2.66% |
| | | | |
| **Rate of salary increase** | | | |
| Impact of +0.5% change | 0.60 | 0.47 | 0.41 |
| (% change) | 2.41% | 2.50% | 2.56% |
| Impact of -0.5% change | 0.57 | 0.45 | 0.39 |
| (% change) | (2.32%) | (2.41%) | (2.46%) |
| | | | |
| **Withdrawal Rate (W.R.) varied by 10%** | | | |
| W.R. x 110% | 0.54 | 0.42 | 0.37 |
| (% change) | (6.99%) | (7.22%) | (7.61%) |
| W.R. x 90% | 0.63 | 0.49 | 0.44 |
| (% change) | 7.87% | 8.13% | 8.63% |

**(K) Other disclosures**

The weighted average duration of the obligations as at March 31, 2023 is 5.43 years (as at March 31, 2022: 5.49 years and April 1, 2021: 5.45 Years).

**All amounts are ₹ in Millions unless otherwise stated**

## 39 Related party disclosures

### 39.1 Details of related parties

| Description of relationship | Name of the related party |
|---|---|
| **Key management personnel** | |
| - Director (Managing Director w.e.f. 01.06.2023) | Amit Mangilal Jain |
| - Director (Whole Time Director w.e.f. 01.06.2023) | Arpit Jain |
| - Director (Whole Time Director w.e.f. 01.06.2023) | Sandeep Jain |
| - Chief Financial Officer (w.e.f. 01.06.2023) | Samshet Balkrishna Shetye |
| - Company Secretary (w.e.f. 22.05.2023) | Sheetal Haresh Solani |
| **Relatives of key management personnel (where transactions have taken place)** | Kritika Jain |
| | Simran Jain |
| | Ketu Jain |
| | Sajjan Jain |
| | Vikram Jain |
| | Kala Jain |
| | Mangilal Jain |
| | Sneha Jain |
| **Enterprises over which key management personnel is able to exercise significant influence (where transactions have taken place)** | The Sajjan Jain Support Trust |
| **Associates Firms / LLP** | Bhoomi & Arkade Associates |
| | Atul & Arkade Realty |
| | Arkade Abode LLP |
| | Chandak & Arkade Associates |

### 39.2 Transactions during the year with related parties

| S. No. | Particulars | For year ended March 31, 2023 | For year ended March 31, 2022 | For year ended March 31, 2021 |
|---|---|---|---|---|
| A | **<u>Key management personnel</u>** | | | |
| I | **Amit Mangilal Jain** | | | |
| | Managerial Remuneration | 13.00 | 9.00 | 9.60 |
| | Loan Taken | 218.46 | 318.85 | 90.34 |
| | Repayment of Loan Taken | 137.11 | 36.85 | 393.95 |
| | Interest Expenses | 23.54 | 5.79 | 5.36 |
| II | **Arpit Jain** | | | |
| | Managerial Remuneration | 44.83 | 12.12 | 7.60 |
| | Loan Taken | 34.10 | 85.50 | 5.75 |
| | Repayment of Loan Taken | 7.08 | 0.51 | - |
| | Interest Expenses | 17.78 | 5.12 | - |
| III | **Sandeep Jain** | | | |
| | Managerial Remuneration | 43.87 | 12.11 | 6.56 |
| | Loan Taken | 20.00 | 96.70 | 8.65 |
| | Repayment of Loan Taken | 7.12 | 0.80 | - |
| | Interest Expenses | 18.22 | 8.02 | - |
| B | **<u>Relatives of Key Management Personnel</u>** | | | |
| I | **Ketu Jain** | | | |
| | Managerial Salaries | 1.63 | 0.50 | - |
| | Sale of flat | 116.62 | - | - |
| II | **Kala Jain** | | | |
| | Loan Taken | - | 26.30 | 1.30 |
| | Repayment of Loan Taken | 14.10 | 13.77 | |
| | Interest Expenses | 0.02 | 2.73 | |
| III | **Sajjan Jain** | | | |
| | Repayment of Loan Taken | 29.10 | 2.30 | |
| | Sale of flat | 57.50 | - | |
| IV | **Mangilal Jain** | | | |
| | Repayment of Loan Taken | 56.00 | - | 13.00 |
| | Loan Taken | | | 24.00 |

**All amounts are ₹ in Millions unless otherwise stated**

| | | | | |
|---|---|---|---|---|
| V | **Vikram Jain** | | | |
| | Repayment of Loan Taken | - | 1.60 | |
| | Loan Taken | | | 1.60 |
| VI | **Kritika Jain** | | | |
| | Professional Fees Paid | - | 0.30 | 0.58 |
| VII | **Simran Jain** | | | |
| | Commission / Brokerage Paid | - | 1.96 | 1.96 |
| VIII | **Sneha Jain** | | | |
| | Commission / Brokerage Paid | - | 1.93 | 1.93 |
| | Managerial Remuneration | | | 1.38 |
| C | **Enterprises over which key management personnel is able to exercise significant influence*** | | | |
| I | **The Sajjan Jain Support Trust** | | | |
| | Donations Paid | 2.13 | - | - |
| D | **Associates Firms / LLP** | | | |
| I | **Bhoomi & Arkade Associates** | | | |
| | Share of profit / (loss) | 46.86 | 73.09 | 0.09 |
| | Capital Introduce | 0.19 | 19.99 | 16.41 |
| | Capital Withdrawals | 14.40 | 3.75 | 1.53 |
| | Repayment of Loan Taken | 14.21 | 0.06 | 0.04 |
| | Interest Expenses | - | 0.61 | 0.59 |
| II | **Arkade Abode LLP** | | | |
| | Share of profit / (loss) | (0.38) | (0.000) | (0.000) |
| | Capital Introduce | - | 0.001 | - |
| | Capital Withdrawals | 0.41 | 0.001 | - |
| III | **Atul & Arkade Realty** | | | |
| | Share of profit / (loss) | (0.02) | (0.02) | 0.03 |
| | Capital Introduce | 6.85 | 3.88 | 0.03 |
| | Capital Withdrawals | - | - | - |
| IV | **Chandak & Arkade Associates** | | | |
| | Write off of Balances | 0.08 | - | - |

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.
All the related party transactions are reviewed and approved by board of directors.

**39.3 Amounts outstanding with related parties**

| S. No. | Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| A | **Key management personnel** | | | |
| I | **Amit Mangilal Jain** | | | |
| | Loan Payable | 410.31 | 305.43 | 17.64 |
| | Managerial Remuneration Payable | 1.01 | 0.54 | |
| II | **Arpit Jain** | | | |
| | Loan Payable | 140.66 | 95.86 | 5.75 |
| | Managerial Remuneration Payable | 21.23 | 1.59 | 0.03 |
| III | **Sandeep Jain** | | | |
| | Loan Payable | 143.67 | 112.57 | 8.65 |
| | Managerial Remuneration Payable | 21.62 | 1.88 | 0.23 |
| | **Relatives of Key Management Personnel** | | | |
| I | **Kala Jain** | | | |
| | Loan Payable | - | 16.56 | 1.30 |
| | Interest Payable | 2.48 | - | |
| II | **Mangilal Jain** | | | |
| | Loan Payable | - | 56.00 | 56.00 |

**All amounts are ₹ in Millions unless otherwise stated**

| | | | | |
|---|---|---|---|---|
| **III** | **Sajjan Jain** | | | |
| | Loan Payable | - | 29.10 | 31.40 |
| **IV** | **Vikram Jain** | | | |
| | Loan Payable | - | | 1.60 |
| **V** | **Kritika Jain** | | | |
| | Trade Receivable | | | 0.02 |
| **B** | **<u>Associates Firms</u>** | | | |
| **I** | **Bhoomi & Arkade Associates** | | | |
| | Capital balance with firms | (3.27) | (35.93) | (124.57) |
| | Loan Payable | - | 14.21 | 13.66 |
| **II** | **Atul & Arkade Realty** | | | |
| | Capital balance with firms | 169.73 | 162.89 | 159.04 |
| **III** | **Arkade Abode LLP** | | | |
| | Capital balance with firms | - | 0.78 | 0.78 |
| **IV** | **Chandak & Arkade Associates** | | | |
| | Capital balance with firms | - | 0.08 | 0.08 |

**All amounts are ₹ in Millions unless otherwise stated**

## 40 Financial instruments and risk management

### 40.1 Capital risk management

The Group's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Group is to borrow funds through banks or raise through equity which is supported by committed borrowing facilities to meet anticipated funding requirements. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets. The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. The following table summarises the capital of the Group :

| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Short term debts*(including current maturities of long term debt) | 702.41 | 632.14 | 136.94 |
| Long term debts | 787.54 | 11.99 | - |
| **Total Debts** | **1,489.95** | **644.13** | **136.94** |
| Less: Cash and cash equivalents | (166.20) | (25.21) | (49.39) |
| **Net debt** | **1,323.75** | **618.92** | **87.55** |
| **Total Equity** | **2,002.11** | **1,494.95** | **991.41** |
| **Net debt to equity ratio** | **0.66** | **0.41** | **0.09** |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings.
The Group has not defaulted on any loans payable, and there has been no breach of any loan covenants.
No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

### 40.2 Categories of financial instruments

The following table provides categorisation of all financial instruments

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Financial assets** | | | |
| **Measured at amortised cost** | | | |
| (a) Loans (including inter corporate deposit) | 0.91 | 0.15 | 0.23 |
| (b) Security deposits | 20.30 | 0.40 | 0.93 |
| (c) Deposits with bank (Fixed Deposits) | 63.72 | 11.00 | 6.50 |
| (d) Cash and cash equivalent | 166.20 | 25.21 | 49.39 |
| (e) Bank balance other than (d) above | 9.52 | 70.03 | 66.58 |
| (f) Trade receivables | 37.05 | 52.60 | 126.13 |
| (g) Other financial assets | 6.47 | 1.48 | 1.63 |
| **Total financial assets** | **304.18** | **160.87** | **251.39** |
| **Financial liabilities** | | | |
| **Measured at amortised cost** | | | |
| (a) Borrowings | 1,489.95 | 644.13 | 136.94 |
| (b) Trade payables | 235.19 | 137.32 | 222.92 |
| (c) Lease Liabilities | - | - | - |
| (d) Other financial liabilities | 137.29 | 77.08 | 73.78 |
| **Total financial liabilities** | **1,862.43** | **858.52** | **433.64** |

**40.3 Financial risk management objectives**

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group periodically reviews the risk management policy so that the management manages the risk through properly defined mechanism. The focus is to foresee the unpredictability and minimise potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimise the potential adverse effects of financial market on the Group's performance are as follows:

**(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. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

**(a) Interest rate risk:**

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. Currently the Group has external borrowings and borowwings from promoter & promoter groups which are fixed and floating rate borrowings. The Group achieves the optimum interest rate profile by refinancing when the interest rates go down. However this does not protect Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

**(b) Foreign currency risk:**

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

Particulars of unhedged foreign currency exposures as at the reporting date:

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **(a). Financial liabilities:** | | | |
| In USD | - | - | - |
| Equivalent in ₹ Millions | - | - | - |
| **(b). Financial assets:** | | | |
| In USD | - | - | - |
| In EURO | - | - | - |
| Equivalent in ₹ Millions | - | - | - |

**(ii). Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group’s customer base, including the default risk of the industry and country, in which customers operate, has less influence on the credit risk.

The Group has entered into contracts for the sale of residential and commercial units on an installment basis. The installments are specified in the contracts. The Group is exposed to credit risk in respect of installments due. However, the possession of residential and commercial units is handed over to the buyer only after all the installments are recovered. In addition, installment dues are monitored on an ongoing basis with the result that the Group’s exposure to credit risk is not significant. The Group evaluates the concentration of risk with respect to trade receivables as low, as none of its customers constitutes significant portions of trade receivables as at the year end.

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group’s policy. The Group limits its exposure to credit risk by only placing balances with local banks of good
repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

**All amounts are ₹ in Millions unless otherwise stated**

**(iii). Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents.

Surplus funds not immediately required are invested in certain financial assets which provide flexibility to liquidate at short notice and are included in cash equivalents.

**Liquidity risk table**

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

| Particulars | Upto 1 year | 1-5 years | Total |
|---|---|---|---|
| **March 31, 2023** | | | |
| Borrowings | 702.41 | 787.54 | **1,489.95** |
| Trade payables | 235.19 | - | **235.19** |
| Other financial liabilities | 137.29 | - | **137.29** |
| **Total** | **1,074.88** | **787.54** | **1,862.43** |
| **March 31, 2022** | | | |
| Borrowings | 632.14 | 11.99 | **644.13** |
| Trade Payables | 137.32 | - | **137.32** |
| Other Financial Liabilities | 77.08 | - | **77.08** |
| **Total** | **846.54** | **11.99** | **858.52** |
| **March 31, 2021** | | | |
| Borrowings | 136.94 | - | **136.94** |
| Trade Payables | 222.92 | - | **222.92** |
| Other Financial Liabilities | 73.78 | - | **73.78** |
| **Total** | **433.64** | **-** | **433.64** |

**41 Fair value measurements**

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

**41.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

The Group has not measure any financial assets and financial liabilities that are measured at fair value on a recurring basis.

**41.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

The directors of the Group consider that the carrying amounts of financial assets and financial liabilities recognised in these financial statements approximate their fair values.

**42 Disclosure as per Section 186 of the Companies Act, 2013**

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made by the Group are given in Note 6.1 in the financial statement.

(ii) The Group has not granted any loans to any parties during the period.

**42 Other Notes**

**42.1** The Group does not own benami properties. Further, 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.

**42.2** The Group has not traded or invested in Crypto currency or Virtual Currency during each reporting period. During each reporting period, the Group has not traded or invested in Crypto currency or Virtual Currency.

**42.3** There were no Scheme of Arrangements entered by the Group during each reporting period, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

**42.4 Relationship with struck-off companies**
The Group did not have any transactions with Companies struck off.

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

42.6 The Group has not made any delay in Registration of Charges under the Companies Act, 2013.

42.7 **Code of Social Security, 2020**
The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. the Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

**All amounts are ₹ in Millions unless otherwise stated**

**43 Ratio Analysis and its elements**

Where any one or both the components of ratios are extracted from statement of profit and loss, the ratios are provided for the year ended March 31, 2022 and March 31, 2021. However, where both the components of ratio are extracted from the Balance sheet, the ratios are provided for all the three periods (i.e., as at March 31, 2022, as at March 31, 2021 and April 1, 2020).

**a) Current Ratio = Current assets divided by Current liabilities**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Current assets | 5,279.78 | 3,503.39 | 3,316.43 |
| Current liabilities | 2,751.95 | 2,185.60 | 2,489.76 |
| **Ratio (In times)** | **1.92** | **1.60** | **1.33** |
| **% Change from previous year** | **20.00%** | **20.30%** | |

**b) Return on Equity Ratio = Net profit after tax divided by average equity**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Net profit after tax | 506.61 | 508.44 | 217.18 |
| Total equity* | 1,748.53 | 1,243.18 | 991.41 |
| **Ratio** | **0.29** | **0.41** | **0.22** |
| **% Change from previous year** | **-29.16%** | **86.69%** | |

*Average equity represents the average of opening and closing total equity.

**Reason for change more than 25%:**

In FY 2021-22 is due to increase in Net profitability of the Company.

**c) Inventory Turnover Ratio = Cost of materials consumed divided by average inventory**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Cost of materials consumed | 1,329.09 | 1,599.60 | 664.20 |
| Average Inventory | 3,997.67 | 2,515.49 | 2,040.89 |
| **Ratio (In times)** | **0.33** | **0.64** | **0.33** |
| **% Change from previous year** | **-47.72%** | **95.39%** | |

**Reason for change more than 25%:**

In FY 2021-22 and FY 2022-23, due to increase in Inventory of Work in Progress for New Projects and increased in overall opertions of the Company.

**d) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Sales | 2,191.57 | 2,230.11 | 902.56 |
| Average Trade Receivables # | 44.82 | 89.36 | 126.13 |
| **Ratio (In times)** | **48.89** | **24.96** | **7.16** |
| **% Change from previous year** | **95.92%** | **248.74%** | |

# Trade receivables is included gross of ECL and net of customer advances. Average Trade receivables represents the average of opening and closing trade receivables.

**Reason for change more than 25%:**

In FY 2021-22 due to increase in Sales while maintaining Debtors Realisation period at under control.

e) **Trade payables turnover ratio = Credit purchases divided by average trade payables**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Contract Cost | 3,344.28 | 2,548.79 | 585.16 |
| Closing Trade Payables | 93.13 | 90.06 | 111.46 |
| **Ratio (In times)** | **35.91** | **28.30** | **5.25** |
| **% Change from previous year** | **21.19%** | **81.45%** | |

**Reason for change more than 25%:**

In FY 2021-22 due to increase in operations while maintaining Creditors Payment period at similar level.

f) **Net Capital Turnover Ratio = Sales divided by Net Working capital**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Sales (A) | 2,201.52 | 2,289.34 | 1,082.70 |
| Current Assets (B) | 5,279.78 | 3,503.39 | 3,316.43 |
| Current Liabilities (C) | 2,751.95 | 2,185.60 | 2,489.76 |
| Net Working Capital (D = B - C) | 2,527.83 | 1,317.79 | 826.67 |
| **Ratio (In times) (E = A / D)** | **0.87** | **1.74** | **1.31** |
| **% Change from previous year** | **-49.87%** | **32.64%** | |

**Reason for change more than 25%:**

In FY 2021-22 and FY 2022-23, the increase in Inventory of Work in Progress for New Projects and increased in overall opertions of the Company has lead to increased investments in working capital of the Company.

g) **Net profit ratio = Net profit before tax divided by Sales**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Net profit before tax | 625.99 | 582.93 | 297.04 |
| Sales | 2,201.52 | 2,289.34 | 1,082.70 |
| **Ratio** | **28.43%** | **25.46%** | **27.44%** |
| **% Change from previous year** | **11.67%** | **-7.19%** | |

**Reason for change more than 25%:**
In FY 2021-22, the decrease in ratio is on account of lower profitability of projects completed during the year.

**h) Return on Capital employed (pre -tax) = Earnings before interest and taxes (EBIT) divided by average Capital Employed**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Profit before tax (A) | 625.99 | 582.93 | 297.04 |
| Add : Interest (B) | 74.63 | 41.11 | 12.59 |
| **EBIT (C) = (A) + (B)** | **700.62** | **624.04** | **309.64** |
| Total Assets (C) | 5,553.04 | 3,699.67 | 3,497.38 |
| Current Liabilities (D) | 2,751.95 | 2,185.60 | 2,489.76 |
| **Capital Employed (E)=(C)-(D)** | **2,801.09** | **1,514.07** | **1,007.62** |
| | | | |
| **Ratio (In %)** | **25.01%** | **41.22%** | **30.73%** |
| **% Change from previous year** | **-39.31%** | **34.13%** | |

**Reason for change more than 25%:**
In FY 2021-22 and FY 2022-23, the increase in Inventory of Work in Progress for New Projects and increased in overall opertions of the Company has lead to increased investments in working capital of the Company.

**i) Debt Equity ratio = Total debts divided by Total Equity**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Total Debts | 1,489.95 | 644.13 | 136.94 |
| Shareholder's funds | 2,002.11 | 1,494.95 | 991.41 |
| **Ratio (In Times)** | **0.74** | **0.43** | **0.14** |
| **% Change from previous year** | **72.72%** | **211.95%** | |

**Reason for change more than 25%:**
Increase in FY 21-22 is mainly on account of increase in unsecured borrowings & Increase in FY 22-23 is on account of raising fresh Term Loans for Projects & unsecured borrowings.

**j) Debt service coverage ratio= Earnings available for debt services dividend by total interest and principal repayments.**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Profit after tax (A) | 506.61 | 508.44 | 217.18 |
| **Add: Non cash operating expenses and finance cost** | | | |
| -Depreciation and amortisation (B) | 2.71 | 0.71 | 1.09 |
| -Finance cost (C) | 12.81 | 43.29 | 12.98 |
| Total Non-cash operating expenses and finance cost (Pre-tax) (D= B+C) | **15.52** | **44.00** | **14.07** |
| Total Non-cash operating expenses and finance cost (Post-tax) (E = D (1-Tax rate)) | 11.62 | 32.93 | 10.53 |
| **Earnings available for debt services (F = A+E)** | **518.23** | **541.37** | **227.71** |
| | | | |
| **Debt service** | | | |
| Interest (G) | 74.63 | 41.11 | 12.59 |
| Lease payments (H) | - | - | - |
| Principal repayments (I) | (384.48) | (57.36) | (618.63) |
| Total Interest and principal repayments (J = G + H + I) | **(309.85)** | **-16.25** | **-606.03** |
| | | | |
| **Ratio (In times) (J = F/ I)** | **1.67** | **33.31** | **0.38** |
| **% Change from previous year** | **-94.98%** | **8765.71%** | |

**Reason for change more than 25%:**

In FY 2021-22 and FY 2022-23 - Increase in cash profit of the Company has lead to increased Debt Repayment Capacity of the Company.

**k) Return on Investments**

This ratio has not been calculated since the Company does not have any investments as on 31st March, 2023 except investments in Subsidiary Partnership Firms & Associates Firms

**44 Other Events**

**44.1 Initial Public Offer - Draft Red Herring Prospectus**

The Company has formed the IPO Committee vide resolution passed in the meeting of Board of Directors of the Company held on December 05, 2022 for initiating the process of preparing and filing of the Draft Red Herring Prospectuts in terms of SEBI (Issue of Capital & Disclosures Requirements) Regulations.

**44.2 Events after balance sheet date**

Significant non - adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the Board of Directors of the Company requiring disclosure :

**(a) Conversion into Public Limited Company**

The Company has been converted from Private Limited Company to Public Limited Company vide resolution passed in the Extra Ordinary General Meeting of the Company held on June 05, 2023. It also has made filing with Ministry of Corporate Affairs (MCA) for such change and awaiting for Fresh Certificate of Incorporation.

**(b) Increase in Authorised Share Capital**

The Company has increased its authorised share capital from Rs. 200 millions (devided into 20 millions equity shares of Rs. 10 each fully paid up) to Rs. 18,500 millions (devided into 185 millions equity shares of Rs. 10 each fully paid up vide special resolution passed in the meeting of shareholders held on July 06, 2023

**(c) Issue of Bonus Shares**

The Company has allotted 15,00,00,000 equity shares of face value of Rs. 10/- each, as a bonus Shares in the ratio of 75 : 1 to the existing equity shareholders of the Company vide resolution passed in the meeting of shareholders held on July 06, 2023

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**As per our report of even date**

**For Mittal & Associates**
Chartered Accountants
**Firm Reg. No.: 106456W**

**Hemant R Bohra**
Partner
**M No. 165667**
Place: Mumbai
Date : July 21, 2023

**For and on behalf of Board of Directors of**
**Arkade Developers Limited**

**Amit Jain**
**Managing Director**
**DIN : 00139764**

**Arpit Jain**
**Whole-time Director**
**DIN : 06899631**

**Samshet Shetye**
**Chief Financial Officer**

**Sheetal Solani**
**Company Secretary**
**M No. : A45964**

Place: Mumbai
Date : July 21, 2023

**Arkade Developers Limited (Formerly known as Arkade Developers Private Limited)**
**ANNEXURE VII**
**Restatement adjustment to Audited Ind As Consolidated Financial Statements**
**All amounts are ₹ in Millions unless otherwise stated**

**Part A**

**The summary of results of restatement adjustments made in the audited consolidated financial statements for the respective year and its impact on the profit of the Group is as follows**

( ₹ in millions )

| Particulars | Note | For the year ended | | |
|---|---|---|---|---|
| | | 31st March 2023 | 31st March 2022 | 31st March 2021 |
| (A) Total Comprehensive Income for the year as per audited financial statements | | 548.79 | 487.90 | 207.39 |
| (B) Adjustment for:- | | | | |
| (1) Write back of Provisions | | (55.85) | 24.92 | 4.41 |
| (2) Provisions for Grauity | | - | - | 5.29 |
| (3) Share of Profit / (Loss) from Partnership Firms | | - | 0.71 | 0.09 |
| (4) Short / (Excess) Provision of Current tax | | - | - | (0.61) |
| (5) Current Tax | | 14.06 | (6.27) | (1.11) |
| (6) Deferred Tax | | - | - | 1.33 |
| **Total adjustments** | | **(41.79)** | **19.36** | **9.40** |
| **Restated Total Comprehensive Income for the year** | | **507.00** | **507.25** | **216.79** |

**Part B**

**The summary of results of restatement adjustments made in the audited consolidated financial statements for the respective year and its impact on Total Equity of the Group is as follows:**

( ₹ in millions )

| Particulars | Note | As at | | |
|---|---|---|---|---|
| | | 31st March 2023 | 31st March 2022 | 31st March 2021 |
| (A) Total Equity as per audited financial statements | | 2,002.64 | 1,451.17 | 978.39 |
| (B) Adjustment for:- | | | | |
| (1) Write back of Provisions | | (55.85) | 24.92 | 4.41 |
| (2) Provisions for Grauity | | - | - | 5.29 |
| (3) Share of Profit / (Loss) from Partnership Firms | | - | 0.71 | 0.09 |
| (4) Short / (Excess) Provision of Current tax | | - | - | (0.61) |
| (5) Current Tax | | 14.06 | (6.27) | (1.11) |
| (6) Deferred Tax | | - | - | 1.33 |
| (7) Carry forward adjustment in total equity from the immediate previous year | | 41.79 | 22.43 | 13.04 |
| **Total adjustments** | | **-** | **41.79** | **22.43** |
| **Restated Total Equity** | | **2,002.64** | **1,492.96** | **1,000.82** |

**Notes to the adjustments**

1. The Restated Ind AS Consolidated Financial Information do not require any adjustment for auditor qualification as there was no qualification in the underlying audit reports of the respective years that required any corrective adjustments

2. In audited Standalone financial statements of financial year 2022-23, provision of defect liability and repairs pertaining to earlier years were written back and accounted as other income. For the purpose of Restated Standalone Financial Information, such errors of accounting estimates of written back of excess provisions have been appropriately adjusted in the respective financial year to which they relate including income tax thereon.

3.In audited Standalone financial statements of financial year 2020-21, tax pertaining to earlier years were accounted based on self assessment by Group. For the purpose of the Restated Standalone Financial Information, such taxes, interest and errors have been appropriately adjusted in the respective financial year to which they relate.

4. For the purpose of this Restated Consolidated Financial Information, certain errors of previous years are corrected retrospectively in the years to which they pertain. Such as provision for gratuity, share of profit & loss from Partneship Firms etc.

5. Deferred tax impact of the restatement adjustments as explained above is given based on the applicable tax rates.

6 Material Regrouping
Appropriate adjustments have been made in the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings/ disclosures as per the Audited Consolidated Financial Statements of the Group.