



Certificate on key performance indicators

To,

Date: 5/9/2024,

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

Unistone Capital Private Limited
305, A Wing, Dynasty Business Park,
Andheri Kurla Road, Andheri East,
Mumbai 400059,
Maharashtra, India.

(Unistone Capital Private Limited is hereinafter referred to as the **Book Running Lead Manager**)

Sub: Proposed initial public offering of equity shares (Equity Shares) by Arkade Developers Limited (Company) through a fresh issue of Equity Shares (Issue).

Dear Sirs,

We, **M/s Mittal & Associates**, the statutory auditors of the Company, have audited the Consolidated financial statements of the Company for the financial year ended 31 March 2024 and 31 March 2023 prepared in accordance with the Companies Act, 2013 (**Companies Act**), as amended, and the Companies (Indian Accounting Standards) Rules, 2015 (**IND AS**) (**Audited Consolidated Financial Statements**).

We have carried out a special purpose audit, in accordance with the requirements of IND AS, the Companies Act, Standards on Auditing specified under Section 143(10) of the Companies Act and Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, as amended (**Special Purposes Guidance Note**), of the consolidated financial statements of the Company for the financial years ended 31 March 2022 and 31 March 2021 which are prepared as per IND AS (**Special Purpose Audited Consolidated Financial Statements**).

Subsequently, we have restated the (i) Audited consolidated Financial Statements; and (ii) Special Purpose Audited Consolidated Financial Statements in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**SEBI ICDR Regulations**) and the Guidance Note on Reports in Company Prospectuses (Revised 2019) (**Restated Consolidated Financial Statements**).

We have been requested by the Company to verify and certify certain financial, business and operational data pertaining to the Company i.e., key performance indicators of the Company.

Accordingly, based on our review of documents and records that we deemed necessary, including review of management report of the Company, Audited consolidated Financial Statements, Actuary report for employee benefits, accounting records and based on the enquires made to the chairperson of the Audit Committee, we hereby certify that the key performance indicators of the Company, details of which are provided in **Annexure A**, have been calculated based on Restated consolidated Financial Statements and the acceptable practices which have been appropriately disclosed in the



Mittal & Associates

Chartered Accountants

Annexure A where relevant, derived and extracted from the Restated consolidated Financial Statements, are correct and complete in all respects.

We hereby consent to the extracts of this certificate being used in the red herring prospectus to be filed with the Securities and Exchange Board of India (**SEBI**), the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE** and together with the BSE, the **Stock Exchanges**), and the prospectus to be filed with the Registrar of Companies, Maharashtra at Mumbai (**RoC**) and submitted to the SEBI and the Stock Exchanges in connection with the Issue, and submission of this certificate as may be necessary, to any regulatory authority statutory, judicial or governmental authorities, and in any other material used in connection with the Issue and for disclosure on the website of the Company and the Book Running Lead Manager in connection with the Issue and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

We confirm that the information herein is true, fair, correct, complete, accurate, not misleading and does not contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. We hereby consent to this certificate being disclosed by the Book Running Lead Manager, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authorities with prior intimation to us except as required in relation to the Issue or (ii) to be produced in connection with any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation related to any matter regarding issuance and listing of the Equity Shares of the Company.

We undertake to update you of any change in the above-mentioned disclosures which we are aware of until the Equity Shares allotted, pursuant to the Issue, are listed and commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Issue.

This certificate may be relied on by the Book Running Lead Manager, their affiliates and the legal counsel in relation to the Issue and to assist the Book Running Lead Manager in the context of due diligence procedures that the Book Running Lead Manager has to conduct and the documents in relation of their investigation of the affairs of the Company in connection with the Issue.


All capitalized terms not defined herein bear the meaning ascribed to them in the Issue Documents.

Yours sincerely,

For M/s Mittal & Associates

Chartered Accountants

Firm Registration No: 106456W



Hemant R. Bohra

Partner

Membership No.: 165667

Place: Mumbai

Date: 5/9/2024.

UDIN: 24165667BKEZ1H8977



Mittal & Associates

Chartered Accountants

Cc:

Legal Counsel to the Issue

Bharucha & Partners

13th Floor, Free Press House,
Free Press Journal Marg,
Nariman Point,
Mumbai 400021,
Maharashtra, India.



Mittal & Associates

Chartered Accountants

Annexure A

Key Performance Indicators

Particulars	As at, and for the financial year ended March 31, 2024	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022
Revenue From operations (₹ in million)	6,347.36	2,201.52	2,289.34
EBIT (₹ in million)	1,682.37	680.54	699.01
EBIT (%) of Revenue from operations	26.51	30.91	30.53
Profit after tax (₹ in million)	1,228.08	507.66	508.44
PAT Margin (%)	19.35	23.06	22.21
Debt To Equity Ratio	0.21	0.74	0.43
EBITDA (₹ in million)	1,693.75	683.25	699.72
EBITDA Margin (%)	26.68	31.04	30.56
Basic EPS (₹)	8.08	3.34	3.32
Diluted EPS (₹)	8.08	3.34	3.32
Interest Coverage Ratio	53.80	53.12	16.15
Return on Equity (ROE) (%)	46.90	29.02	40.90
Adjustable Return on Capital Employed (ROCE) (%)	47.34	24.30	46.17
Sales (in terms of number of units booked by customers)	257	258	87
Sales (in terms of area booked by customers) (in million square feet)	0.20	0.19	0.06
Completed Developable Area (in million square feet)	-	0.26	0.30
Collection (₹ million)	5,702.31	2,584.03	1,700.64
Voluntary employee attrition ratio (A/B) (%)	12.76	10.26	11.11

As certified by our Statutory Auditors, M/s Mittal & Associates, pursuant to a certificate dated September 2, 2024

Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated Financial Information.
- (2) EBIT refers to earnings before interest, taxes, gain or loss from discontinued operations.
- (3) EBIT Margin refers to EBIT during a given period as a percentage of revenue from operations during that period.
- (4) Net Profit Ratio/Margin quantifies efficiency in generating profits from revenue and is calculated by dividing net profit after taxes by revenue from operations.
- (5) Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term borrowings) by total equity (which includes issued capital and all other equity reserves).
- (6) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items.
- (7) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- (8) EPS has been calculated in accordance with the Indian Accounting Standard 33 – 'Earning per share' notified under the Companies (Indian Accounting Standards) Rules, 2015. The above statement should be read with significant accounting policies and notes on Restated Consolidated Financial Information.
- (9) Interest Coverage Ratio measures ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.
- (10) Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.
- (11) Adjusted RoCE (Adjusted Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as total assets reduced by current liabilities.



Mittal & Associates

Chartered Accountants

- (12) Voluntary employee attrition ratio (A/B) (%) = No of employees that voluntarily left during the year / period divide No of employees at the beginning of the year / period + No of employees joined during the year / period.
- (13) Sales in terms of units booked is calculated by counting the total number of units that customers have committed to purchasing or renting within a specific time frame.
- (14) Sales in terms of area booked is calculated by measuring the total area of properties or spaces that customers have committed to.
- (15) Completed Developable area is the area of the projects delivered (Occupancy Certificate received during the year) by the Company in a particular period. There were no Occupancy Certificates received during the Financial Year 2023-24 for any ongoing projects.
- (16) Collection refers to the amount of money received from customers in a particular time frame.

