



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 1st February, 2024.
2. We have examined the attached Restated Consolidated Financial Information, expressed in Indian Rupees in millions 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 to as the "Group"), and associates comprising:
 - (a) the "Restated Consolidated Statement of Assets and Liabilities" as at March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure I);
 - (b) the "Restated Consolidated Statement of Profit and Loss" for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure II);
 - (c) the "Restated Consolidated Statement of Changes in Equity" for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure III);
 - (d) the "Restated Consolidated Statement of Cash Flows" for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure IV);
 - (e) the "Basis of Preparation, Significant Accounting Policies" for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure V);
 - (f) the "Notes to Restated Consolidated Financial Information" for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (enclosed as Annexure VI); and
 - (g) the "Statement of Adjustments to Audited Consolidated Financial Statements" as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (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:



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- 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 June 10, 2024 for the purpose of inclusion in the Red Herring Prospectus ("RHP") 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 RHP to be filed with Securities and Exchange Board of India (SEBI), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") the Registrar of Companies, Mumbai ("ROC") in connection with the proposed Initial Public Offering of the equity shares of the Company, is the 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 Institute of 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, 2024 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 June 10, 2024.
 - (b) the audited consolidated financial statements of the Group and associates as at and for the years ended



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on March 31, 2023 and March 31, 2022 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 and April 01, 2023 respectively.

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 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 years ended March 31, 2024 March 31, 2023 and March 31, 2022.
 - (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 dated July 14, 2023.
 - (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, 2024 dated June 10, 2024 as referred in Para 6 (a) above and for the year ended March 31, 2023 dated July 03, 2023, as referred in Para 6 (b) 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, 2024. 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, 2024.

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 31, 2024 for all the reporting periods; 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 special purpose 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



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report issued by us on the special purpose auditors consolidated financial statements and, on the auditors, consolidated financial statements of the Group and its jointly controlled operations, joint ventures and associates, 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, 31st March, 2021 and the transition date opening Balance Sheet as at April 01, 2021 included in the financial statements for the year ended on 31st March, 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 under Companies (Accounting Standard) Rules, 2006, were audited by another firm of Chartered Accountants viz. M/S. Kevin Shah & Associates. They have expressed the unmodified opinion on the financial statements for the year ended on 31st March, 2022 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 the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for theyear ended March 31, 2022
Number of Subsidiaries (numbers)	2	2	2



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Particulars	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Total Assets (INR Million)	4.43	1.53	52.37
Net Assets (INR Million)	3.92	0.52	(1.99)
Total Revenue (INR Million)	Nil	Nil	25.87
Total Comprehensive Income (INR Million)	(1.16)	(0.17)	3.28
Net cash inflows/ (outflows) (INR Million)	2.25	(0.55)	(0.18)
Number of Associates and Joint Ventures (numbers)	2	3	3
Share of profit/ (loss) in associates (net) (INR Million)	9.59	41.74	72.08

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, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Number of Subsidiaries (numbers)	2	2	2
Total Assets (INR Million)	4.43	1.53	57.09
Net Assets (INR Million)	3.92	0.52	2.74
Total Revenue (INR Million)	Nil	Nil	25.87
Total Comprehensive Income (INR Million)	(1.16)	(4.89)	8.00
Net cash inflows/ (outflows) (INR Million)	2.25	(0.55)	(0.18)
Number of Associates and Joint Venture (numbers)	2	3	3
Share of profit/ (loss) in associates	9.59	41.74	72.79



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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 31st March, 2024;
- 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 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

Hemant R Bohra

Partner

Mem. No.: 165667

UDIN:- 24165667BKEZEQ3670



Place : Mumbai

Date : June 10, 2024