

**ROYAL ARC INFRASTRUCTURE PRIVATE LIMITED**  
CIN: U70102MH2010PTC210344

**MUMBAI**

**12TH ANNUAL REPORT**

**Year 2021-2022**

**Board of Directors:**

Mr. Bipin Sanghvi  
Mr. Kishore Shetty

**Auditor:**

BAQADIYA & JAIN  
CHARTERED ACCOUNTANTS

908, Aditya Building,  
B/h. Sardar Patel Seva Samaj  
Nr. Gruh Finance,  
Navarangpura,  
Ahmedabad - 380 009

**Registered Office:**

202, Business Classic,  
Opp. Seksaria Indl. Estate  
Chincholibunder Road,  
Malad (West), Mumbai MH 400064

**Bankers:**

State Bank of India



**Independent Auditor's Report**

To the Members of **Royal Arc Infrastructure Private Limited**

**Report on the audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Royal Arc Infrastructure Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2022 and the Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements gives the information as required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 its profit for the year ended on that date.

**Basis of Opinion**

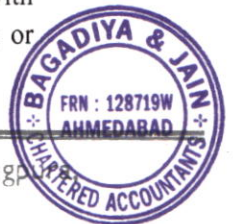
We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Information other than the financial statements and auditors' report thereon**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of the underlying financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has



adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

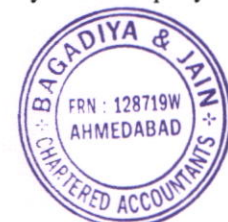
#### **Report on Other Legal and Regulatory Requirements.**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by Central Government of India in terms of section 143 (11) of the Companies Act, 2013("the Act"), we give in the Annexure hereto a statement on the matters specified in Paragraphs 3 and 4 of the said Order.

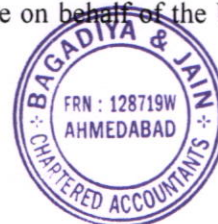
2. As required by Section 143 (3) of the Act, we report that:

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (a) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.



- (b) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- (c) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with Accounting Standards notified under the Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (d) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- (e) The provisions with respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls as required by the Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act') are not applicable to the company and
- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company is not having any pending litigation cases going on which have impact in its financial statements as of March 31, 2022;
  - ii. In our opinion and as per the information and explanations provided to us the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company
  - iv.
    - a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entity, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate beneficiaries;
    - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed any final dividend for the year.

For, **BAGADIYA & JAIN**  
**Chartered accountants**  
**FRN: 128719W**



**Rishit Bagadia**  
**Partner**  
**M. No. 123327**  
**UDIN: 22123327BCJSRD5549**

Place: Ahmedabad  
Date: 09/09/2022

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**  
**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements'**  
**section of our report of even date)**

- (i)
- a)
- (A) The company has maintained reasonable records showing full particulars, including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
- (B) The company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of verification to cover all the items of Property, Plant and Equipment (PPE) in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain PPE were physically verified by management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, the records examined by us and based on the examination of the documents provided to us, the company does not have any immovable property during the year and hence reporting under clause 3(i)(c) of the Order is not applicable.
- d) Company has adopted historical cost model for accounting for Property, Plant and Equipment, hence no revaluation has been carried out by the company.
- e) According to information and explanations given to us and as a result of our audit procedures, in our opinion, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
- a) As explained to us, the inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories procedures performed as applicable, when compared with the books of account.
- b) According to information and explanations given to us and relevant records produced, the company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets during the year. Hence, reporting under the clause 3(ii)(b) of the Order in respect of working capital limits availed in excess of five crore rupees is not applicable.



- (iii)
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and (b) to (f) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us and based on our audit procedures, we are of opinion that the company has not given any guarantees and securities during the year and hence, provisions of clauses 3(iii)(b) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of the granting loans, making investments and providing guarantees and securities, as applicable.
- (v) Based on our examination of records and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the relevant rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii)
- a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except for the following;

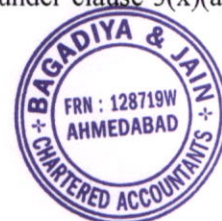
(Rs. in '000)

Financial Year	Type of Due	Amount (Rs.)
2013-14	Professional Tax	09.25
2014-15	Professional Tax	14.15
2015-16	Professional Tax	13.18
2016-17	Professional Tax	32.58
2017-18	Professional Tax	37.40
2018-19	Professional Tax	18.00
2019-20	Professional Tax	06.00



2020-21	Professional Tax	00.40
<b>Total</b>		<b>1,30.95</b>

- b) According to the information and explanations given to us, there is no dispute on account of any litigation.
- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order does not arise.
- (ix)
- a) According to the information and explanation and as verified from books of accounts, the company has not defaulted in repayment of loans or interest thereon to any lender.
- b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. Accordingly, reporting under clause 3(ix) (b) of the order does not arise.
- c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds have been raised on short-term basis which has been used for long-term purposes by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries, joint venture and associates and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the company.



- b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to the company.
- (xi)
- a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b) To the best of our knowledge and information available with us, no instance of fraud reportable under sub-section (12) of section-143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As per information and explanation given by management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b)(c) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, based on our examination of the records of the company, transactions with the related parties are in compliance with section 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further as the company is a private limited and hence the provisions section -177 relating to audit committee is not applicable.
- (xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013 and hence the reporting under clause 3(xiv)(a)(b) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with its directors or persons connected with him and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, clause 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. In our opinion, as the company is not a Core Investment Company, the clause 3(xvi)(d) of the order is not applicable.



- (xvii) Based on our examination of the records and according to the information and explanation given to us, the Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 24 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, based on the examination of records of the company, the provisions of section 135 of the Companies Act, 2013 relating to corporate social responsibility is not applicable to the company. Hence, the reporting under clause 3(xx)(a) and (b) are not applicable.

For, **BAGADIYA & JAIN**  
**Chartered accountants**  
**FRN: 128719W**

**Rishit Bagadia**  
**Partner**  
**M. No. 123327**  
**UDIN: 22123327BCJSRD5549**



Place : Ahmedabad  
Date : 09/09/2022

**Royal Arc Infrastructure Private Limited**

CIN: U70102MH2010PTC210344

**Balance Sheet as at 31 March 2022**

(Rs. in '000)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	2	100.00	100.00
(b) Reserves and Surplus	3	24,859.83	17,813.53
		<b>24,959.83</b>	<b>17,913.53</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term Borrowing	4	60,307.19	90,757.19
(b) Deferred Tax Liabilities (net)	5	56.31	62.71
		<b>60,363.50</b>	<b>90,819.91</b>
<b>(3) Current liabilities</b>			
(a) Trade Payables	7	-	17.70
- Dues to MSME		1,296.00	1,296.00
- Dues to Others		7,707.50	14,858.93
(b) Other Current Liabilities	8	7,707.50	14,858.93
(c) Short-term Provisions	6	2,505.36	-
		<b>11,508.86</b>	<b>16,172.63</b>
<b>Total</b>		<b>96,832.18</b>	<b>1,24,906.06</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment and Intangible Assets	9	820.28	945.35
(i) Property, Plant and Equipment		-	-
(iii) Capital Work in Progress		<b>820.28</b>	<b>945.35</b>
(b) Other Non-Current Assets	10	668.60	668.60
		<b>1,488.87</b>	<b>1,613.95</b>
<b>(2) Current assets</b>			
(a) Inventories	11	75,589.90	1,00,322.72
(b) Trade Receivables	12	5,733.77	9,563.22
(c) Cash and Bank Balances	13	2,325.52	1,712.05
(d) Short-term Loans and Advances	14	11,694.13	11,694.13
		<b>95,343.31</b>	<b>1,23,292.11</b>
<b>Total</b>		<b>96,832.18</b>	<b>1,24,906.06</b>
<b>Significant accounting policies</b>	1		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached


FOR, **BAGADIYA & JAIN**  
**CHARTERED ACCOUNTANTS**  
 FRN: 128719W




Rishit M. Bagadia  
 Partner  
 M. No.: 123327  
 UDIN: 22123327BCJSRD5549

Place: Ahmedabad  
 Date: 09/09/2022

For and on behalf of the Board of Directors  
 Royal Arc Infrastructure Private Limited

  
 Binin Sanghvi  
 Director  
 DIN No.: 00462839

  
 Kishore Shetty  
 Director  
 DIN No.: 00462833

Place: Mumbai  
 Date: 09/09/2022



**Royal Arc Infrastructure Private Limited**

CIN: U70102MH2010PTC210344

**Statement of Profit and Loss for the year ended 31st March, 2022**

(Rs. in '000)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
I Revenue from Operations	15	35,610.35	14,616.70
<b>III Total Income (I+II)</b>		<b>35,610.35</b>	<b>14,616.70</b>
IV Expenses:			
(a) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	16	24,732.82	9,887.47
(b) Employee Benefit Expense	17	25.00	84.00
(c) Finance Cost	18	2.07	4.66
(d) Depreciation and Amortization Expense	19	125.08	125.08
(e) Other Expenses	20	1,180.14	1,102.71
<b>Total Expenses</b>		<b>26,065.10</b>	<b>11,203.91</b>
<b>V Profit / (Loss) Before exceptional and extraordinary items and tax (III - IV)</b>		<b>9,545.25</b>	<b>3,412.78</b>
VI Exceptional and Extra-ordinary Items		-	-
<b>VII Profit / (Loss) before tax (V - VI)</b>		<b>9,545.25</b>	<b>3,412.78</b>
VIII Tax expense:			
(1) Current Tax Expense for current year		2,505.36	-
(2) Deferred Tax		(6.41)	(2.14)
<b>IX Profit (Loss) For The Period (VII - VIII)</b>		<b>7,046.30</b>	<b>3,414.92</b>
X Earnings per Share	21		
Basic		704.63	341.49
Diluted		704.63	341.49
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements.

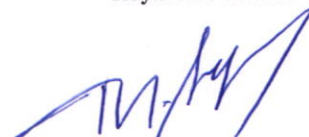
As per our report of even date attached

For, **BAGADIYA & JAIN**  
**CHARTERED ACCOUNTANTS**  
 FRN: 128719W



Rishit M. Bagadia  
 Partner  
 M. No.: 123327  
 UDIN: 22123327BCJSRD5549

For and on behalf of the Board of Directors  
**Royal Arc Infrastructure Private Limited**

  
 Bipin Sanghvi  
 Director  
 DIN No.: 00462839

  
 Kishore Shetty  
 Director  
 DIN No.: 00462833

Place: Ahmedabad  
 Date: 09/09/2022

Place: Mumbai  
 Date: 09/09/2022



# Royal Arc Infrastructure Private Limited

CIN: U70102MH2010PTC210344

## Notes to the financial statements for the year ended 31 March 2022

### Note 1

#### Significant Accounting Policies

##### 1. Basis of Accounting:

The financial statements have been prepared in conformity with the generally accepted accounting principles to comply in all materials respects with the notified Accounting Standards (AS) under Companies Act, 2013 and the relevant provisions of the Companies Act 2013("the Act"). The financial statements have been prepared under the historical cost convention, on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### 2. Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

##### 3. Revenue Recognition:

- i) Revenue from real estate developments is recognised on the 'Percentage of Completion Method' of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to construction costs being 25% or more of the total estimated cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

In accordance with Revised Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), on 'Accounting for Real Estate Transactions (Revised 2012)', revenue recognition for all real estate projects commencing on or after 1 April, 2012 or where the revenue is recognised for the first time on or after 1 April, 2012, revenue is recognised on percentage of completion method if (a) actual construction and development cost (excluding land cost) incurred is 25% or more of the estimated cost, (b) At least 25% of the saleable project area is secured by contracts or agreements with buyers and (c) At least 10% of the total revenue as per sales agreement or any other legally enforceable document are realised as at the reporting date.

- ii) Revenue from sale of land is recognised when the agreement to sell is executed resulting in transfer of all significant risk and rewards of ownership and possession is handed over to the buyer.

