

INDEPENDENT AUDITOR'S REPORT

To the members of Ridgecraft Homes Private Limited Report on the Audit of the Consolidated financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Ridgecraft Homes Private Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries except for the effects of the matter(s) described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, and consolidated cash flows for the year ended on that date.

Basis for Opinion

- a. As explained in note 37 to the financial statements, Group has long term investment in one of the entity aggregating to Rs. 12,037.50 lakhs. In the absence of sufficient and appropriate evidence with respect to the assumptions on valuation, we are unable to comment on any adjustments which may be required in the carrying value of such investments.

The matter stated at above was subject matter of qualification in our audit report on the financial statements for the years ended 31 March 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Group 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 standalone 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

Management's Responsibility for the financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income,



changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS 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 Group 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility 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.
- Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements 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 the 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 Group'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 Group 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Other Matter

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 55,043.23 lakhs and net assets of Rs. 25,797.59 lakhs as at 31 March 2021, total revenues of Rs. 4,732.79 lakhs, as considered in the consolidated financial statements. This financial information has been audited by other auditor whose report(s) have been furnished to us by the 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 subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Holding since the Holding Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the group so far as it appears from our examination of those books.
 - c) The consolidated financial statements dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding company



as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- f) This report does not include Report on the internal controls under clause (i) of sub-section 3 of Section 143 of the Act ("the Report on internal financial controls"), since in our opinion and according to the information and explanations given to us, the said report on internal financial control is not applicable to the Holding Company basis the exemption available to the Holding Company under Ministry of Corporate Affairs notification no. G.S.R. 583(E) dated 13 June 2017, read with corrigendum dated 13 July 2017 on reporting on internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. there were no pending litigations as at 31 March 2021 which would impact the consolidated financial position of the Group;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company, and its subsidiaries.

For A Prasad & Associates

Chartered Accountants

Firm's Registration No. 004250C



Aayush Tibrewal

Aayush Tibrewal

Partner

Membership No. 540098

Place: New Delhi

Date: 02-Sep-21

UDIN: 21540098AAAAHW2151

Ridgecraft Homes Private Limited

Consolidated Balance sheet for the year ended March 31, 2021

(Unless otherwise stated, all amounts are in INR lacs)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
I Non-current assets			
a. Property, plant and equipment	4	0.89	1.22
b. Financial assets			
i. Investments	5	12,037.50	12,037.50
ii. Other financial asset	6	1,026.11	871.44
c. Deferred tax assets (net)	7	-	33.86
d. Income tax assets (net)	8	42.95	29.20
		13,107.45	12,973.22
II Current assets			
a. Inventories	9	42,814.57	46,275.20
b. Financial assets			
i. Trade receivables	10	3,144.12	1,027.57
ii. Other financial assets	11	19.29	-
iii. Cash and cash equivalents	12	27.93	233.58
iv. Other bank balances	13	231.31	232.88
c. Current tax assets (net)	8	56.58	0.08
d. Other current assets	14	1,706.00	1,497.51
		47,999.80	49,266.82
		61,107.25	62,240.04
EQUITY AND LIABILITIES			
I Equity			
a. Equity share capital	15	600.10	600.10
b. Other equity	16	11,537.90	11,043.71
		12,138.00	11,643.81
c. Non- controlling interest	17	15,996.48	15,850.78
		28,134.48	27,494.59
II Non-current liabilities			
a. Financial liabilities			
i. Borrowings	18	3,847.48	6,814.62
		3,847.48	6,814.62
III. Current liabilities			
a. Financial liabilities			
i. Borrowings	18	8,789.13	7,519.35
ii. Trade payables	19	-	-
Due to micro and small enterprises		-	-
Due to others		4,775.55	5,550.78
iii. Other financial liabilities	20	12,104.56	8,440.76
b. Other current liabilities	21	3,338.43	6,419.94
c. Current tax liabilities (net)	22	117.62	-
		29,125.29	27,930.83
TOTAL		61,107.25	62,240.04

Summary of significant accounting policies

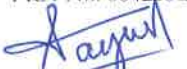
The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

For A Prasad & Associates

Chartered Accountants

FRN No. 004250C

**Aayush Tibrewal**

Partner

Membership No. 540098



For and on behalf of the board of directors of

**Amit Kumar Singhal**

Director

(DIN : 06439649)

**Rahul Dhairya**

Director

(DIN : 06554074)

Place: New Delhi

Date: 02-Sep-21

Ridgecraft Homes Private Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(Unless otherwise stated, all amounts are in INR lacs)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
I Revenue from operations	23	12,132.97	6,871.07
II Other income	24	126.23	17.92
III Total income (I + II)		12,259.20	6,888.99
IV Expenses			
Cost of revenue	25	11,211.94	7,071.28
Finance costs	26	89.28	-
Depreciation and amortisation expense	4	0.33	0.20
Other expenses	27	156.24	175.67
Total expenses (IV)		11,457.79	7,247.15
V Profit/(Loss) before tax (III-IV)		801.41	(358.16)
VI Tax expense			
Current tax	28	117.62	-
Tax for earlier years		10.03	-
Deferred tax		33.86	(0.00)
		161.51	(0.00)
VII Profit/(Loss) for the year (V-VI)		639.90	(358.16)
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
i. Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year		-	-
IX Total comprehensive income for the year (VII+VIII)		639.90	(358.16)
Profit/(Loss) is attributable to:			
Equity holders of the Company		494.20	(190.45)
Non-controlling interests		145.70	(167.71)
Total comprehensive income is attributable to:			
Equity holders of the Company		639.90	(358.16)
Non-controlling interests		-	-
X Earning/(Loss) per equity share	29		
Equity shares of face value Rs. 10 each			
Basic (Rs. per share)		10.66	(5.97)
Diluted (Rs. per share)		10.66	(5.97)

Summary of significant accounting policies

The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For A Prasad & Associates

Chartered Accountants

FRN No. 004250C

**Aayush Tibrewal**

Partner

Membership No. 540098

**For and on behalf of the board of directors of**
Amit Kumar Singhal

Director

(DIN : 06439649)


Rahul Dhaiya

Director

(DIN : 06554074)

Place: New Delhi

Date: 02-Sep-21

Ridgecraft Homes Private Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(Unless otherwise stated, all amounts are in INR lacs)

A. Equity share capital

	Amount
Balance at 1 April 2019	600.10
Change in equity share capital during the year	-
Balance at 31 March 2020	600.10
Change in equity share capital during the year	-
Balance at 31 March 2021	600.10

B. Other equity

Particulars	Reserve and surplus		Total other equity	Non-controlling interest	Total
	Capital reserve	Retained earnings			
Balance as at 1 April 2019	-	(2.13)	(2.13)	-	(2.13)
Acquired through business combination	11,236.28	-	11,236.28	16,018.49	27,254.77
Profit/(loss) for the year	-	(190.45)	(190.45)	(167.71)	(358.16)
Other comprehensive income	-	-	-	-	-
Balance as at 31 March 2020	11,236.28	(192.58)	11,043.70	15,850.78	26,894.48
Profit/(loss) for the year	-	494.20	494.20	145.70	639.90
Other comprehensive income	-	-	-	-	-
Balance at 31 March 2021	11,236.28	301.62	11,537.90	15,996.48	27,534.38

The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the consolidated statement of changes in equity referred to in our report of even date.

For A Prasad & Associates

Chartered Accountants

FRN No. 004250C


Aayush Tibrewal

Partner

Membership No. 540098

**For and on behalf of the board of directors of**

Amit Kumar Singhal

Director

(DIN : 06439649)


Rajul Dhaiya

Director

(DIN : 06554074)

Place: New Delhi**Date:** 02-Sep-21

Ridgecraft Homes Private Limited

Consolidated Cash Flow Statement for the year ended March 31, 2021

(Unless otherwise stated, all amounts are in INR lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flows from operating activities		
Net profit before tax	801.41	(358.16)
Adjustments for:		
-Depreciation and amortisation expense	0.33	0.20
-Interest from banks on deposits	(15.76)	(8.67)
-Liabilities no longer required written back	(110.01)	(8.79)
-Preliminary expenses written off	-	7.54
Operating (loss)/profit before working capital changes	675.97	(367.88)
Adjustments for changes in working capital:		
- Trade receivables	(2,116.55)	(1,027.57)
- Other financial assets	(173.96)	(58.09)
- Inventories	2,509.64	2,995.50
- Other current assets	(208.49)	336.46
- Changes in other financial liabilities	1,903.83	5,238.74
- Trade payable	(665.22)	1,275.38
- Other current liabilities	(3,081.51)	(5,765.21)
Cash generated from/(used in) operations	(1,832.26)	2,995.21
Taxes paid (net of refunds)	(80.29)	(4.94)
Net cash generated from /(used in) operating activities	(1,912.55)	2,990.26
B. Cash flows from investing activities		
-Interest from banks on deposits	15.76	8.67
- Purchase of investment in subsidiary	-	(4,991.60)
- Movement in fixed deposit	1.57	(25.76)
Net cash flow from /(used in) investing activities	17.33	(5,008.69)
C. Cash flows from financing activities		
-(Repayments)/ Proceeds from borrowing from bank	(1,133.77)	718.31
-Interest expense	877.58	726.46
- Borrowings from related parties	1,269.78	1,173.50
Net cash flow from (used in) financing activities	1,013.59	2,618.27
Net (decrease)/increase in cash and cash equivalents (A + B+C)	(205.66)	231.96
Cash and cash equivalents at the beginning of the year	233.59	1.63
Cash and cash equivalents at the end of the year	27.93	233.59
Note: Reconciliation of cash and cash equivalents		
Cash on hand	0.01	0.01
Balance with scheduled banks in current accounts	27.92	233.58
	27.93	233.59

This is the consolidated cash flow statement referred to in our report of even date.

The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

For A Prasad & Associates

Chartered Accountants

FIRN No. 004250C

Aayush Tibrewal

Partner

Membership No. 540098

**For and on behalf of the board of directors of****Amit Kumar Singhal**

Director

(DIN : 06439649)

Rahul Dhaiya

Director

(DIN : 06554074)

Place: New Delhi

Date: 02-Sep-21

Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

1. Corporate Information

Ridgecraft Homes Private Limited ('Ridge' the 'Company'), was incorporated as a Private Limited Company on April 27, 2018. The Company operates as a real estate developer, covering residential, commercial and retail segments of real estate. The Company's registered office is situated at 3rd Floor, Next Door, U-Block, BPTP Parklands, Sector-76, Faridabad-121001.

2.1 General information and statement of compliance with Ind AS

These financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies act, 2013 ("The Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 issued by Ministry of Corporate Affairs ('MCA'). All other relevant provisions of the Act, as amended, are also complied with in these financial Statements. The Group has prepared these financial statements which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The financial statements have been prepared on going concern basis using a historical cost convention, except certain financial assets and financial liabilities which are measured at fair value as explained in relevant accounting policies.

The financial statements are presented in INR which is assessed to be the functional currency of the Group in accordance with Ind AS. All values are rounded to the nearest thousands (INR 000), except when otherwise indicated.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors.

2.2 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

3. Significant accounting policies

a) 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Principles of consolidation

Subsidiary

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at 31 March 2021. Control is achieved when the Group 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. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2021. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group, unless the accounting standard specifies otherwise.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

c) Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

d) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

- i. **Financial instruments at amortised cost** – the financial instrument is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

- ii. **Equity investments** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

e) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost.
- b) 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 115
- c) Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and the application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

f) Revenue

Revenue is recognised to the extent that it is probable that the Group will collect the consideration to which it will be entitled in exchange of goods or services that will be transferred to the customers taking into account contractually defined terms of payments. Revenue excludes taxes and duties collected on behalf of the Government and is net of customer returns, rebates, discounts and other similar allowances.

- a. Revenue from real estate projects – The Group derives revenue, primarily from sale of properties comprising of both commercial and residential units. Revenue from sale of constructed properties, land and plots is recognised at a 'Point of Time', when the Group satisfies the performance obligations, which generally coincides with completion/possession of the unit. To estimate the transaction price in a contract, the Group adjusts the contracted amount of consideration to the time value of money if the contract includes a significant financing component.
- b. In case of joint development projects, wherein land owner provides land and the Group acts as a developer and in lieu of land, the Group has agreed to transfer certain percentage of the revenue proceeds, the revenue is accounted on gross basis. In case, where, in lieu of the land, the Group has agreed to transfer certain percentage of constructed area, revenue is recognised in respect of Group's share of constructed area to the extent of Group's percentage share of the underlying real estate development project.
- c. Revenue from sale of land without any significant development is recognised when the sale agreement is executed resulting in transfer of all significant risk and rewards of ownership and possession is handed over to the buyer. Revenue is recognised, when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.
- d. Revenue from sale of development rights is recognised when agreements are executed.

g) Other income

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

h) Leases

i. Where the Group is lessee – Right of use assets and lease liabilities

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in notes). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

ii. Where the Group is lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease, except when the lease rentals, increase are in line with general inflation index. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

h) Investments

Investment in equity instruments of subsidiaries, joint ventures and associates are stated at cost as per Ind AS 27 'Separate Financial Statements'.

i) Property, plant and equipment

Recognition and initial measurement

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 recognised 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 recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a written down value basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013:

De-recognition

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

j) Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupees ("₹") which is also the functional and presentation currency of the Group.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

k) Employee benefits

Provident Fund

The Group makes contribution to statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The provident fund by the Group is treated as a defined contribution plan. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognised as an expense in the period in which services are rendered by the employee.

Short-term employee benefits

Expense in respect of short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

m) Provisions, contingent assets and contingent liabilities

A provision is recognised when:

- The Group has a present obligation as a result of a 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.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

The Group does not recognise contingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) 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.

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 group of assets.

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.

p) Inventories

Inventories comprising of land and plots, development rights for plots/land and construction work in progress are valued as under:

(i) Land, development rights for land and construction work in progress is valued at cost/ estimated cost or net realisable value, whichever is lower. Costs include land acquisition cost, estimated internal development costs, government charges towards conversion of land use/ licenses including external development charges, interest on project specific loans in accordance with policy on borrowing costs and other related government charges and cost of development/ construction materials.

(ii) Development rights represents amounts paid by the Group under collaboration agreement to acquire exclusive and irrevocable development rights on the identified land and are valued at cost/ estimated cost or net realisable value, whichever is lower.



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

q) Cost of revenue

Cost of constructed properties includes cost of land/ development rights, construction and development costs, borrowing costs and direct overheads, which is charged to the statement of profit and loss based on the corresponding revenue recognized from sale of unit on proportionate basis.

r) Segment reporting

The Group is primarily engaged in the business of colonization and real estate development, which as per Indian Accounting Standard – 108 on ‘Operating Segments’ is considered to be the only reportable business segment. The Group is operating in India which is considered as a single geographical segment.

s) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Recoverability of advances/receivables – At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

Classification of assets and liabilities into current and non-current – The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.

Impairment of assets – In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.

Useful lives of depreciable/ amortisable assets (Property, plant and equipment and intangible assets) – Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.

Contingencies- In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A tax provision is recognised when the Group has a present obligation as a result of a past event; it is probable that the Group will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021

(Unless otherwise stated, all amounts are in INR lacs)

4 Property, plant and equipment

Particulars	Electrical equipments
Carrying amount	
As at 1 April, 2019	-
Acquired through acquisition on 19-Oct-2019	5.86
Additions	-
Disposals	-
As at 31 March, 2020	5.86
Additions	-
Disposals	-
As at 31 March, 2021	5.86
Accumulated depreciation	
As at 1 April, 2019	-
Acquired through acquisition on 19-Oct-2019	4.44
Depreciation charge for the year	0.20
As at 31 March, 2020	4.64
Depreciation charge for the year	0.33
As at 31 March, 2021	4.97
Net carrying amount	
As at 31 March, 2020	1.22
As at 31 March, 2021	0.89

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Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

	As at March 31, 2021	As at March 31, 2020
5 Investments		
Unquoted investments in preference shares classified as fair value through profit or loss		
- Triangle Builders and Promoters Private Limited		
239,534 (previous year 239,534) compulsorily convertible preference shares of Rs 10 each issued at premium of Rs. 4,990 each*	12,037.50	12,037.50
	12,037.50	12,037.50
* Refer Note 30 for fair value disclosures		
6 Other financial asset		
- Non-current		
Security deposits	1,026.11	871.44
	1,026.11	871.44
7 Deferred tax assets(net)*		
a. Deferred tax assets(net)	-	8.56
b. Minimum alternate tax credit entitlement	-	25.30
	-	33.86
* recognised through profit and loss account		
8 Income tax		
A. Income tax assets		
a. Non-current		
- Income tax refunds receivable	42.95	29.20
	42.95	29.20
Current Tax Assets (net)		
TDS Receivable	56.58	0.08
	56.58	0.08
9 Inventories		
(Lower of cost and net relisable value)		
a. Land	2,127.28	2,121.24
b. Development rights	11,891.11	11,967.59
c. Construction work in progress	28,796.18	32,186.37
	42,814.57	46,275.20
10 Trade receivables		
Unsecured, considered good	3,144.12	1,027.57
	3,144.12	1,027.57
11 Other Financial assets		
Receivable from related party	19.29	-
	19.29	-
12 Cash and cash equivalents		
Cash and cash equivalents		
a. Cash on hand	0.01	0.00
b. Balances with banks:		
-In current accounts	27.92	233.58
	27.93	233.58
13 Other bank balances		
a. Fixed deposits maturity for more than 3 months but less than 12 months (pledged with Government authorities)	231.31	232.88
	231.31	232.88
14 Other current assets		
a. Advances given to vendors	27.00	73.20
b. Advances given to employees	15.00	40.00
c. Balance with government authorities (Service tax, Goods and service tax etc.)	302.21	327.22
d. Prepaid expenses	182.47	273.45
e. Others	1,179.32	783.64
	1,706.00	1,497.51



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

	As at March 31, 2021	As at March 31, 2020
15 Share capital		
A Authorised		
10,000,000 Equity Shares of Rs 10/- each	1,000.00	1,000.00
	1,000.00	1,000.00
B Issued, subscribed and paid up		
6,001,000 Equity Shares of Rs 10/- each,	600.10	600.10
	600.10	600.10

C Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	60,01,000	600.10	60,01,000	600.10
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	60,01,000	600.10	60,01,000	600.10

D Shareholders holding more than 5% shares are as follows:

Particulars of shareholder	% of Shares	No. of Shares	% of Shares	No. of Shares
1 Anjali Chawla	99.99%	60,00,999	99.99%	60,00,999

E Terms and rights attached to equity shares

The Company has only one class of equity shares having the par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

F No shares have been issued for consideration other than cash or as bonus shares and shares bought back in the current reporting year and in last five years immediately preceding the current reporting year.

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Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

	As at March 31, 2021	As at March 31, 2020
16 Other equity		
Share premium	-	-
a. Retained earnings	301.62	(192.57)
b. Capital reserve	11,236.28	11,236.28
	11,537.90	11,043.71
Other equity consist of the following		
a. Retained earnings		
Balance at the beginning of year	(192.57)	(2.13)
Profit/(loss) for the year	494.20	(190.44)
	301.63	(192.57)
b. Capital reserve		
Opening balance	11,236.28	-
Business combination during the year	-	11,236.28
Closing balance	11,236.28	11,236.28
i. Retained earnings - Retained earnings are profits of the Group earned till date less transferred to general reserve and debenture		
ii. Capital reserve - Capital reserve created on consolidation for the consideration paid and Net worth on the date of acquisition.		
17 Non-controlling interest		
Opening balance	15,850.78	-
Business combination during the year	-	16,018.49
Profit/(loss) for the year	145.70	(167.71)
Closing balance	15,996.48	15,850.78

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Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

	As at March 31, 2021	As at March 31, 2020
18 Borrowings		
Non-Current		
Loan from bank (secured)		
- Secured- at amortised cost		
i. Indusind Bank Limited	7,194.10	8,327.87
	7,194.10	8,327.87
Less: Current maturities (see note 20)	3,346.62	1,513.25
	3,847.48	6,814.62
A. Loans from bank		
i. Borrowings from Indusind Bank Limited		
I. Repayment terms: The borrowings is repayable as follows		
2020-2021	-	1,513.25
2021-2022	3,346.62	3,356.92
2022-2023	3,847.48	3,457.70
	7,194.10	8,327.87
The borrowing from Indusind Bank Limited have not been fully disbursed, however the repayment schedule has been disclosed based on the repayment term mentioned in the agreement i.e. 10 equal quarterly installment post 30th Month moratorium period from first disbursement(i.e. 31 March, 2018)		
II. Rate of interest: 9.25% per annum		
III. Security		
Term loan from bank is secured by first and exclusive hypothecation charge on all existing and future current assets and movable fixed assets of the Group. First and exclusive equitable mortgage charge on land and building belonging to the Group.		
IV. The borrowing sanctioned limit is Rs. 12,000 lakhs (Previous year Rs. 12,000 lakh) from the Indusind Bank Limited out of that till 31 March, 2021 disbursed amounting to Rs. 8,750 (Previous year Rs 8,750 lakhs).		
V. During the financial year 2020-21, Indusind bank Limited has approved moratorium on interest due for the period April 2020 to August 2020 (moratorium period) on secured loan and the same has been added to the principal amount along with compounded interest totalling to 340.27 lakh. Further principal repayment scheduled for payment during August 2020 has been deferred by three months. Accordingly, subsequent loan repayments has been rescheduled by six months.		
	As at March 31, 2021	As at March 31, 2020
Current		
B. Loan from related party (unsecured)		
-BLTP Limited	7,034.13	7,519.35
-Countrywide Promoters Private Limited	1,755.00	-
	8,789.13	7,519.35
I. Repayment terms: The borrowings is repayable on demand. The borrowings is interest free		
	As at March 31, 2021	As at March 31, 2020
19 Trade payables		
a. Total outstanding dues of micro enterprises and small enterprise	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprise	4,775.55	5,550.78
	4,775.55	5,550.78
	As at March 31, 2021	As at March 31, 2020
20 Other financial liabilities		
a. Current maturities of long-term borrowings (see note 18)	3,346.62	1,513.25
b. Interest accrued but not due on borrowings	-	73.40
c. Payable to related party	2,312.69	640.47
d. Payable to others	6,445.25	6,213.64
	12,104.56	8,440.76
21 Other current liabilities		
a. Advances from customers	3,233.38	6,406.12
b. Statutory dues	44.43	13.82
c. Others	60.62	-
	3,338.43	6,419.94
22 Current tax liabilities (net)		
Current tax liabilities (net)	117.62	-
	117.62	-



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
23 Revenue from operations		
a. Revenue from constructed properties	12,132.97	6,871.07
	12,132.97	6,871.07
24 Other income		
a. Interest income earned on financial assets that are not designated as fair value through profit or loss:		
i. Interest from banks on deposits	15.76	8.67
b. Interest from customers	0.41	0.22
c. Liabilities no longer required written back	110.01	8.79
d. Others	0.05	0.24
	126.23	17.92
25 Cost of revenue		
Cost of goods and services	11,211.94	7,071.28
	11,211.94	7,071.28
26 Finance costs		
a. Interest expenses incurred on		
- loan	1,040.26	653.07
	1,040.26	653.07
Less : Finance cost transferred to inventory	950.98	653.07
	89.28	-
27 Other expenses		
a. Insurance	0.32	0.06
b. Legal and professional charges	0.27	27.84
c. Payment to auditors	3.66	2.17
d. Bank charges	3.65	0.37
e. Rates and taxes	7.12	19.76
f. Compensation to customer	-	115.69
g. CSR expenditure	8.00	-
h. Preliminary expenses	-	7.54
i. Salary, wages and bonus	103.00	-
j. Provision for Advances given to employees	25.00	-
k. Staff welfare	3.34	-
l. Miscellaneous expenses	1.88	2.24
	156.24	175.67
28 Tax expense		
Current tax	117.62	-
Tax for earlier years	10.03	-
Deferred tax	33.86	(0.00)
Tax expense	161.51	(0.00)
29 Earning/(Loss) per equity share		
Earning after tax	639.90	(358.16)
Earnings attributable to equity shareholders	639.90	(358.16)
Nominal value of equity share (in Rs)	10	10
Weighted average number of equity shares outstanding during the year (in number)	60,01,000	60,01,000
Total weighted average number of equity shares outstanding during the year (in number)	60,01,000	60,01,000
Basic earnings per share (in Rs)	10.66	(5.97)
Diluted earnings per share (in Rs)	10.66	(5.97)



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

30 Fair value measurement**(i) Fair value measurement of financial instruments**

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The disclosure of the financial assets measured at fair value through profit and loss are as follows:

Measured at fair value through profit or loss	Level	Note	As at	As at
			March 31, 2021	March 31, 2020
Non-current investments	Level 3	5	12,037.50	12,037.50

Valuation technique used to determined fair value

Fair value of aforementioned assets have been determined using discounted cash flow analysis. The method involves the projection of a series of cash flow from the project. To this projected cash flow series, a market derived discount rate is applied to establish the present value of the income streams associated with the project.

The following table summaries the quantitative information about the significant inputs used in level 3 fair value measurement and sensitivity analysis if a change to such inputs was made keeping other variable constant

	As at	As at
	March 31, 2021	March 31, 2020
Discount		
0.50 % increase	60.19	60.19
0.50 % decrease	(60.19)	(60.19)

(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

The carrying values of financial instruments measured at amortised cost is considered to be a reasonable approximation of their fair values.

31 Financial risk management

Particulars	March 31, 2021			March 31, 2020		
	FVTPL*	FVOCI^	Amortised cost	FVTPL*	FVOCI^	Amortised cost
Financial assets						
Investments	12,037.50	-	-	12,037.50	-	-
Cash and equivalents	-	-	27.93	-	-	233.58
Other financial Assets	-	-	1,045.40	-	-	871.44
Trade receivables	-	-	3,144.12	-	-	1,027.57
Other bank balances	-	-	231.31	-	-	232.88
Total	12,037.50	-	4,448.76	12,037.50	-	2,365.47
Financial liabilities						
Borrowings	-	-	15,983.23	-	-	15,847.22
Trade payables	-	-	4,775.55	-	-	5,550.78
Other financial liabilities	-	-	8,757.94	-	-	6,927.51
Total	-	-	29,516.72	-	-	28,325.51

*FVTPL stands for "Fair Value Through Profit or Loss"

^FVOCI stands for "Fair Value Through Other Comprehensive Income"

ii) Risk management

The Group's activities expose it to liquidity risk and credit risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A) Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions.



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

a) Credit risk management

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

Assets under credit risk –

Credit rating	Particulars	31 March 2021	31 March 2020
A: Low credit risk	Cash and cash equivalents, investments, and other financial assets	4,448.76	2,365.47
B: Moderate credit risk	Loans and other financial assets	-	-
C: High credit risk	Loans and other financial assets	-	-

The risk parameters are same for all financial assets for all period presented. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

March 31, 2021	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings	12,135.75	3,847.48	-	15,983.23
Trade Payables	4,775.55	-	-	4,775.55
Other financial liabilities	8,757.94	-	-	8,757.94
Total	25,669.24	3,847.48	-	29,516.72

March 31, 2020	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings	9,032.60	6,814.62	-	15,847.22
Trade Payables	5,550.78	-	-	5,550.78
Other financial liabilities	6,927.51	-	-	6,927.51
Total	21,510.89	6,814.62	-	28,325.51



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

C) Interest risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations. Also, the Group regularly review market interest rates comparing with the applicable rate of interest on liabilities.

As at 31 March, 2021, financial liability of Rs. 7,194.10 lakhs, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of Rs. 71.94 lakhs for the year ended 31 March, 2021 and 31 March, 2020, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

32 Capital management

(a) Risk management

For the purpose of the Group's capital management, capital includes issued equity share capital, security premium and all other equity reserves attributable to the equity holders of the Group.

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	As at March 31, 2021	As at March 31, 2020
Borrowings	15,983.23	15,847.22
Trade payable	4,775.55	5,550.78
Other financial liabilities	8,757.94	6,927.51
Less: cash and cash equivalents including other bank balances	(259.24)	(466.46)
Net debt	29,257.48	27,859.04
Equity	12,138.00	11,643.81
Capital and net debt	41,395.48	39,502.86



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

33 Related parties

a. List of related parties

i. Minority Entity

Triangle Builders and Promoters Private Limited

ii.

Individuals owning indirect interest in the voting power having control over the company and their relatives and with whom transactions have been taken place

Mrs. Anjali Chawla

Entities over which individuals mentioned in (ii) point above are able to exercise control/significant influence and with whom transactions have taken place during the year:

iii.

- a. BPMP Limited
- b. Countrywide Promoters Private Limited
- c. Bright Star Builders Private Limited
- d. Rainbow Promoters Private Limited
- e. Vivek Promoters Private Limited



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

b. Transactions /balances outstanding with related parties

Particulars	Minority entity		Entities over which individuals mentioned in a. (ii) above are able to exercise control/ significant influence and with whom transactions have taken place during the year		Total	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Profit on Sale of land	-	-	5,147.44	-	5,147.44	-
BPTP Limited	-	-	5,147.44	-	5,147.44	-
Expenses incurred by other on behalf of company			1,707.60	-	-	-
Rainbow Promoters Private Limited			1,707.60	-	-	-
Expenses incurred by other on behalf of company	-	-	461.73	191.37	461.73	191.37
BPTP Limited	-	-	461.73	191.37	461.73	191.37
Expenses incurred by the company on behalf of other	-	-	86.08	123.19	86.08	123.19
BPTP Limited	-	-	86.08	123.19	86.08	123.19
Borrowing taken	-	-	1,745.00	-	-	-
Countrywide Promoters Private Limited	-	-	1,745.00	-	-	-
Amount received	-	-	10.00	637.00	10.00	637.00
Bright Star Builders Private Limited	-	-	-	637.00	-	637.00
Countrywide Promoters Private Limited	-	-	10.00	-	10.00	-
Amount paid	-	-	3,516.91	472.21	3,516.91	472.21
Vivek Promoters Private Limited	-	-	25.87	472.21	25.87	472.21
Business Park Maintenance Services Private Limited	-	-	5.35	-	5.35	-
BPTP Limited	-	-	3,485.69	-	3,485.69	-
Project management fees accrued /adjusted	-	-	-	96.51	-	96.51
BPTP Limited	-	-	-	96.51	-	96.51
Collection from customer on behalf of others	-	-	50.19	755.58	50.19	755.58
BPTP Limited	-	-	25.89	751.80	25.89	751.80
Countrywide Promoters Private Limited	-	-	24.30	-	24.30	-
Business Park Maintenance Services Private Limited	-	-	-	3.78	-	3.78



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

Particulars	Minority entity		Entities over which individuals mentioned in a. (ii) above are able to exercise control/ significant influence and with whom transactions have taken place during the year				Total	
	As at		As at		As at		As at	
	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
	Rs. / Lakhs	Rs. / Lakhs	Rs. / Lakhs	Rs. / Lakhs	Rs. / Lakhs	Rs. / Lakhs	Rs. / Lakhs	Rs. / Lakhs
Outstanding balances								
Payable for debenture								
Kellorzo Holding Co. Limited	-	-	-	-	-	-	-	-
Interest payable for debenture								
Kellorzo Holding Co. Limited	-	-	-	-	-	-	-	-
Amount payable								
Bright Star Builders Private Limited	-	-	2,312.69	640.47	2,312.69	640.47	640.47	640.47
Vivek Promoters Private Limited	-	-	637.00	637	637.00	637.00	637.00	637.00
Contrywide Promoters Private Limited	-	-	12.94	3.47	12.94	3.47	3.47	3.47
BPPL Limited	-	-	1.00	-	1.00	1.00	-	-
	-	-	1,661.75	-	1,661.75	-	-	-
Borrowings								
BPPL Limited	-	-	8,789.13	7,519.35	7,034.13	7,519.35	7,519.35	7,519.35
Contrywide Promoters Private Limited	-	-	7,034.13	7,519.35	7,034.13	7,519.35	-	-
	-	-	1,755.00	-	-	-	-	-
Security deposit receivable								
BPPL Limited	-	-	1,026.11	871.43	1,026.11	871.43	871.43	871.43
Contrywide Promoters Private Limited	-	-	126.09	107.08	126.09	107.08	107.08	107.08
	-	-	900.02	764.35	900.02	764.35	764.35	764.35
Minority payable								
Triangle Builders and Promoters Private Limited	-	-	15,996.48	15,850.78	15,996.48	15,850.78	15,850.78	15,850.78
	-	-	15,996.48	15,850.78	15,996.48	15,850.78	15,850.78	15,850.78



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

Note 34: Group information:

Consolidated financial statements as at March 31, 2021 comprise the financial statements of Ridgecraft Homes Private Limited (the "Company") and its subsidiary, which are as under:

Sl No.	Name	Principal activities	Country of incorporation	Status of Financial Statements at March 31, 2021	Proportion of equity Interest as at March 31, 2021	Proportion of equity Interest as at March 31, 2020
I	Subsidiary companies					
1	Native Buildcon Private Limited*	Real estate	India	Audited	51.00%	51.00%

* During FY 2019-20, the Company acquired 51% of total issued share capital of Native Buildcon Private Limited (NBPL) from Kellarzo Holding Co Limited and Kotak Investments Advisors Limited acquiring its control over the aforementioned company and been accounted as Investment in subsidiaries.

Note 35: Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to division II of Schedule III to the Companies Act, 2013 for the year ended March 31, 2021:

	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	% of Consolidated profit / (loss)	Amount	% of Consolidated Profit / (loss)	Amount
Parent:						
Ridgecraft Homes Private Limited	3 th	924.63	54 th	342.55	54 th	342.55
Subsidiary:						
Indian:						
1 Native Buildcon Private Limited	92 th	25,797.59	46 th	297.35	46 th	297.35
Total eliminations and other consolidation adjustments	5 th	1,412.27	0 th	-	0 th	-
Total	100%	28,134.48	100%	639.90	100%	639.90

Note 36: Disclosure of subsidiary having material non-controlling interest

Particulars	As at March 31, 2021
Name of subsidiary	Native Buildcon Private Limited
Principal place of business	India
Proportion of ownership interest held by non-controlling interests	49 th
Summarised balance sheet	
	Amount
Current assets	41,935.78
Current liabilities	25,398.16
Net current assets	16,537.62
Non-current assets	13,107.45
Non-current liabilities	3,847.48
Net non-current assets	9,259.97
Net assets	25,797.59
Accumulated non-controlling interest	15,996.48
Summarised statement of profit and loss	
	For the period March 31, 2021
Profit / (Loss) for the year	297.35
Other comprehensive income for the year	-
Total comprehensive income	297.35
Gain/(loss) allocated to non-controlling interest	145.70



Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2021
(Unless otherwise stated, all amounts are in INR lacs)

- 37 As per the requirements accounting standards the management have to assess fair value of its long term investments but the management not able to obtained the valuation report for the current year accordingly the investments measured at cost of Rs. 12,037.50 in lakh in the current year.
- 38 Consequent to the disruption caused due to COVID-19, the Company has made an assessment as at March 31, 2021 of recoverability of the carrying values of its assets such as property, plant and equipment, intangible assets having indefinite useful life, inventory, trade receivables, and other current assets giving due consideration to the internal and external factors. Further, on account of continued spread of COVID-19 disease in the country, the Company has made timely and requisite changes in the business model which has resulted in consistent growth across the product segments during the year. The Company is continuously monitoring the situation arising on account of COVID-19 and will make appropriate action required, if any.
- 39 The Ind AS - 116 - Leases become effective from 1 April, 2019, the management made an assessment of that and observed that the accounting standard have no significant impact during the year and the subsequent years.
- 40 The Chief operating decision maker for the purpose of resource allocation and assessment of segments performance focuses on real estate, thus operates in a single business segment. The group is operating in India, which is considered as single geographical segment. Accordingly, the reporting requirements for segment disclosure prescribed by Ind AS 108 are not applicable.
- 41 The Code on Social Security, 2020 ('Code') relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. The Company will evaluate the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
- 42 No companies have been identified under The Micro, Small and Medium Enterprises Development Act, 2006. The above disclosure 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.
- 43 During the current year, the management have regrouped/ reclassified the previous year figures to make them align with the current year presentation.
- 44 **Approval of the financial statements**
The Consolidated financial statements were approved for issue by Board of Directors on 02-Sep-21

For A Prasad & Associates

Chartered Accountants
FIRN No. 004250C



Aayush Tibrewal
Partner
Membership No. 540098



For and on behalf of the board of directors of



Amit Kumar Singhal
Director
(DIN : 06439649)



Rahul Dhaiya
Director
(DIN : 06554074)

Place: New Delhi
Date: 02-Sep-21