A PRASAD & ASSOCIATES
(CHARTERED ACCOUNTANTS)

D-65, 103-104, Laxmi Nagar,
Delhi-110092, India
Tel : +91-11-42420464
www.namllp.com

INDEPENDENT AUDITOR'S REPORT

To the members of Ridgecraft Homes Private Limited

Report on the Audit of the financial Statements

Opinion

We have audited the accompanying financial statements of **Ridgecraft Homes Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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, the aforesaid 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 state of affairs (financial position) of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 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.

Information Other than the financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's 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 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.

A Prasad & Associates * Chartered Accountants

Management's Responsibility for the financial Statements

The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 these standalone 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 Company 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 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.

Those Board of Directors is also responsible for overseeing the Company'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 Company's ability to continue as a going concern. If

A Prasad & Associates Chartered Accountants

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.

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

1. The financial statements of the Company for the year ended 31 March 2019 were audited by the predecessor auditor, Sanjay Batra & Co., who have expressed an unmodified opinion on those financial statements vide their audit report dated 2nd September, 2019.

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 Company since the 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 the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order.

3. 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 Company so far as it appears from our examination of those books.

    c) The financial statements dealt with by this Report are in agreement with the books of account.

A Prasad & Associates Chartered Accountants

d) In our opinion, the aforesaid 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 as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) Pursuant to Notification G.S.R. 583(E), dated 13 June, 2017 issued by the Ministry of Corporate Affairs, Section 143(3)(i) of the Act is not applicable to the Company and accordingly this report does not state whether the Company has adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls.

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. The Company doesn't have any pending litigations on its financial position;

ii. The Company 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.

For A Prasad & Associates
Chartered Accountants
Firm's Registration No. 004250C

A Prasad & Associates
Chartered Accountants

Aayush Tibrewal
Partner
Membership No. 540098

Place: New Delhi
Date: 19-Nov-2020
UDIN: 20540098AAAAFK5909

Annexure A to the Independent Auditor's Report of even date to the members of Ridgecraft Homes Private Limited, on the financial statements for the year ended 31 March 2020

"ANNEXURE A"

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that

i. The Company doesn't have any property, plant and equipment, therefore the provisions of clause 3(i) (a) to (c) of the CARO, 2016 are not applicable to the company.

ii. In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. No material discrepancies were noticed on the aforesaid verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Goods and Services Tax, Cess and other statutory dues applicable to it to the appropriate authorities

The operations of the Company during the period did not give rise to Provident Fund, Employees' State Insurance, Customs Duty and Excise Duty.

(b) There were no undisputed amounts payable in respect of Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable.

The operations of the Company during the period did not give rise to Provident Fund, Employees' State Insurance Tax, Customs Duty, Excise Duty.

(c) There are no dues of Income-tax and Goods and Services Tax as on March 31, 2020 on account of disputes:

The operations of the Company during the period did not give rise to Provident Fund, Employees' State Insurance, Customs Duty and Excise Duty.

A Prasad & Associates Chartered Accountants

Annexure A to the Independent Auditor's Report of even date to the members of Ridgecraft Homes Private Limited, on the financial statements for the year ended 31 March 2020

viii. In our opinion and according to the information and explanations given to us, the Company doesn't have any borrowings from banks, financial institutions and government and dues to debenture holders. Hence, this clause is not applicable.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

xiii. In our opinion all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable standards.

xiv. According to the information and explanations given to us, the Company has not made any private placement or preferential allotment or fully or partly convertible debentures during the year under audit.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **A PRASAD & ASSOCIATES**
Chartered Accountants
(Firm's Registration No. 004250C)

A Prasad & Associates Chartered Accountants

Aayush Tibrewal
Partner
Membership No. 540098

Date: 19-Nov-2020
Place: New Delhi

Ridgecraft Homes Private Limited
Standalone Balance Sheet as at March 31, 2020
(Unless otherwise stated, all amounts are in INR thousands)

	Note	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non-current assets			
a) Financial Assets			
Investments	3	500,000.00	-
		500,000.00	**-**
Current assets			
a) Inventories	4	375,200.51	220,021.18
b) Financial assets			
(i) Cash and cash equivalents	5	146.20	162.75
(ii) Other financial assets	6	68.09	-
c) Other current assets	7	1,104.04	1,157.86
d) Current tax assets		7.57	-
		376,526.41	**221,341.79**
Total		**876,526.41**	**221,341.79**
II. EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	8	60,010.00	60,010.00
b) Other equity	9	(1,802.08)	(212.85)
		58,207.92	**59,797.15**
Current liabilities			
a) Financial liabilities			
(i) Trade payables	10		
Due to micro and small enterprises		-	-
Due to others		103,610.81	-
(ii) Other financial liabilites	11	685,411.45	161,537.64
b) Other current liabilites	12	29,296.24	7.00
		818,318.50	**161,544.64**
Total		**876,526.41**	**221,341.79**

Summary of significant accounting policies 2

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

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

For A Prasad & Associates
Chartered Accountants
FRN No. 004250C

A Prasad & Associates Chartered Accountants

Aayush Tibrewal
Partner
Membership No. 540098

For and on behalf of the Board of Directors

Amit Kumar Singhal
Director
(DIN : 06439649)

Rahul Dhaiya
Director
(DIN : 06554074)

Place: New Delhi
Date: 19-Nov-20

Ridgecraft Homes Private Limited
Standalone Statement of Profit and loss account for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR thousands)

		Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I	**REVENUE**			
	Other income	13	75.66	-
	Total Revenue		**75.66**	-
II	**EXPENSES**			
	Other Expenses	14	1,664.89	212.85
	Total expenses		**1,664.89**	**212.85**
	(Loss)/ Profit before tax		**(1,589.23)**	**(212.85)**
	Tax expense:			
	Current tax		-	-
	Deferred tax		-	-
	Profit/(Loss) after tax		**(1,589.23)**	**(212.85)**
	(Loss)/Earnings per equity share:			
	(1) Basic (in Rs.)	15	(0.26)	(0.04)
	(2) Diluted (in Rs.)		(0.26)	(0.04)

Summary of significant accounting policies 2

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

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

For A Prasad & Associates
Chartered Accountants
FRN No. 004250C

A Prasad & Associates *Chartered Accountants*

Aayush Tibrewal
Partner
Membership No. 540098

Place: New Delhi
Date: 19-Nov-20

For and on behalf of the Board of Directors

Amit Kumar Singhal
Director
(DIN : 06439649)

Rahul Dhaiya
Director
(DIN : 06554074)

Ridgecraft Homes Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR thousands)

A Equity share capital

Particulars	Balance at April 1, 2018	Change in equity share capital during the year	Balance at March 31, 2019	Change in equity share capital during the year	Balance at March 31, 2020
Equity share capital	-	60,010.00	60,010.00	-	60,010.00

B Other equity

Amount in Rs.

Particulars	Reserve and surplus	Total
	Retained earnings	
Balance at April 1, 2018	-	-
Profit for the year	(212.85)	(212.85)
Additions during the year	-	-
Balance at March 31, 2019	**(212.85)**	**(212.85)**
Profit for the year	(1,589.23)	(1,589.23)
Additions during the year	-	-
Balance at March 31, 2020	**(1,802.08)**	**(1,802.08)**

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

This is the standalone statement of change in equity referred to in our report of even date.

For A Prasad & Associates
Chartered Accountants
FRN No. 004250C

A Prasad & Associates Chartered Accountants

Aayush Tibrewal
Partner
Membership No. 540098

Place: New Delhi
Date: 19-Nov-20

For and on behalf of the Board of Directors

Amit Kumar Singhal
Director
(DIN : 06439649)

Rahul Dhaiya
Director
(DIN : 06554074)

Ridgecraft Homes Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flows from operating activities:		
Net (loss)/ profit before tax	(1,589.23)	(212.85)
Adjustments :		
Interest income	(75.66)	-
Preliminary expenses written off	753.82	188.46
Operating (loss)/ profit before working capital changes	**(911.07)**	**(24.39)**
Net changes in working capital		
Changes in other financial assets	-	(404.04)
Changes in other assets	(700.00)	(942.28)
Changes in inventories	(155,179.33)	(220,021.18)
Changes in trade payables	103,610.80	-
Changes in other financial liabilities	523,873.81	161,537.64
Changes in other liabilities	29,289.24	7.00
Cash (used in)/ flow from operations	**499,983.45**	**(59,847.25)**
Direct taxes paid (net of refunds)	(7.57)	-
Net cash (used in)/flow from operating activities (A)	**499,975.88**	**(59,847.25)**
B. Cash flows from investing activities:		
Purchase of investments	(500,000.00)	-
Interest received	7.57	-
Net cash flow from/(used in) investing activities (B)	**(499,992.43)**	**-**
C. Cash flows from financing activities:		
Issue of share capital	-	60,010.00
Net cash flow from/(used in) financing activities (C)	**-**	**60,010.00**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(16.55)**	**162.75**
Cash and cash equivalents at the beginning of the year	162.75	-
Cash and cash equivalents at the end of the year	**146.20**	**162.75**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprises of the following :		
Cash in hand	-	-
Balance with scheduled banks in current accounts	146.20	162.75
Cash and bank balances as per balance sheet	**146.20**	**162.75**

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

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

For A Prasad & Associates
Chartered Accountants
FRN No. 004250C

A Prasad & Associates * Chartered Accountants *

Aayush Tibrewal
Partner
Membership No. 540098

For and on behalf of the Board of Directors

Amit Kumar Singhal
Director
(DIN : 06439649)

Rahul Dhaiya
Director
(DIN : 06554074)

Place: New Delhi
Date: 19-Nov-20

Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

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 Company 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 Company has prepared these financial statements which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2020, 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 Company in accordance with Ind AS. All values are rounded to the nearest thousands (INR 000), except when otherwise indicated.

Upto the year ended March 31, 2019, the Company prepared its financial statements in accordance with the requirements of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 27, 2018 which is the incorporation date of the company. Refer note 25 for the details of the first-time adoption note by the Company.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors.

2.2 Recent accounting pronouncements

Amendment to Ind AS 103, Business Combinations

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 103 whereby definition of the business has been amended. Additionally, new amendments also provide new aspects to evaluate a set of activities as business. The effective date of these amendments is April 1, 2020. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 116, Leases

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 116 in respect of rent concessions occurring as a direct consequence of the Covid-19 pandemic. The effective date of these amendments is April 1, 2020. However, in case an entity (lessee) has not yet approved the financial statements before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2019 as

A Prasad & Associates Chartered Accountants

well. Currently, the Company does not have any such scenario and hence, the Company has not considered any impact of this amendment on these financial statements.

Amendment to Ind AS 1, Presentation of Financial Statements
On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 1 whereby definition of the word 'Material' has been enhanced to make it more explanatory and it now covers more scenarios. The effective date of these amendments is April 1, 2020. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 10, Events After the Reporting Period
On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 10 in respect of disclosure requirement related to non-adjusting event. This amendment requires additional information to be disclosed for material non-adjusting events. The effective date of these amendments is April 1, 2020. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company 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) 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.

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

A Prasad & Associates
Chartered Accountants

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 Company'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.

c) 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.

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 Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such

A Prasad & Associates
Chartered Accountants

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 Company 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.

d) Impairment of financial assets

In accordance with Ind AS 109, the Company 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 Company 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 Company 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 Company 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 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.

A Prasad & Associates Chartered Accountants

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

e) Revenue

Revenue is recognised to the extent that it is probable that the Company 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 Company 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 Company satisfies the performance obligations, which generally coincides with completion/possession of the unit. To estimate the transaction price in a contract, the Company 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 Company acts as a developer and in lieu of land, the Company 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 Company has agreed to transfer certain percentage of constructed area, revenue is recognised in respect of Company's share of constructed area to the extent of Company'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.

f) 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 Company and the amount of income can be measured reliably.

g) Leases

i. Where the Company 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.

A Prasad & Associates Chartered Accountants

For any new contracts entered into on or after 1 April 2019, the Company 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 Company 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 Company 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 Company, 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 Company 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 Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company 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 Company'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 Company 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 Company is lessor

Leases in which the Company 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 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 Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company'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.

A Prasad & Associates Chartered Accountants

Ridgecraft Homes Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

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 Company. 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 Company.

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.

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.

A Prasad & Associates
Chartered Accountants

k) Employee benefits

Provident Fund

The Company makes contribution to statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The provident fund by the Company 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 Company's cash management.

m) Provisions, contingent assets and contingent liabilities

A provision is recognised when:

- The Company 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.

The Company 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.

A Prasad & Associates
Chartered Accountants

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 Company 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 Company 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 Company 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.

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.

A Prasad & Associates
Chartered Accountants

Ridgecraft Homes Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

r) Segment reporting

The Company 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 Company 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 Company'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 Company 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 Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

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.

A Prasad & Associates
Chartered Accountants

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) – 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 Company. A tax provision is recognised when the Company has a present obligation as a result of a past event; it is probable that the Company 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 Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

(This space is intentionally left blank)

A Prasad & Associates
Chartered Accountants

Ridgecraft Homes Private Limited
Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR thousands)

		As at March 31, 2020	As at March 31, 2019
3	**Non Current Investments**		
	In subsidiaries ^		
	In equity instruments - unquoted		
	10,407 (March 31, 2019: Nil) Class A equity shares of Rs. 10 each fully called up and paid up in Native Builcon Private Limited	104.07	-
	5,714 (March 31, 2019: Nil) Class B equity shares of Rs. 10 each fully called up and paid up in Native Builcon Private Limited	57.14	-
	In Compulsory convertible debentures - unquoted*		
	1,694,182 (March 31, 2019: Nil) 0.01% Compulsory convertible debentures of Rs. 1000 each in Native Builcon Private Limited	499,838.79	-
		500,000.00	**-**

*The tenor of the CCDs issued shall be maximum six years from the date of issue of the CCDs. The CCDs holders shall be entitled to receive a cumulative interest at an annual coupon rate of 1 basis points. Each CCD shall convert into Class B Equity Shares of the Company immediately upon the expiry of the term. The CCDs shall convert into Class B Equity Shares at one Class B Equity Share for Rupees One Thousand only outstanding towards the principal amount of CCDs which are subject to conversion.
^ Investments in joint venture are carried at cost as per Ind AS 27 "Separate Financial Statements"

	As at March 31, 2020	As at March 31, 2019
Aggregate amount of book value and market value of quoted investments	-	-
Aggregate amount of unquoted investments	500,000	-

		As at March 31, 2020	As at March 31, 2019
4	**Inventories**		
	Land	212,123.52	212,123.52
	Government dues	152,994.18	5,345.50
	Constrcuttion work in progress	10,082.81	2,552.16
		375,200.51	**220,021.18**

		As at March 31, 2020	As at March 31, 2019
5	**Cash and cash equivalents**		
	Balances with banks		
	Current accounts	146.20	162.75
		146.20	**162.75**

		As at March 31, 2020	As at March 31, 2019
6	**Short-term loans and advances**		
	Interest receivable on compulsory convertible debentures	68.09	-
		68.09	**-**

		As at March 31, 2020	As at March 31, 2019
7	**Other current assets**		
	Preliminary expenses	-	753.82
	Advance to vendors	1,104.04	404.04
		1,104.04	**1,157.86**

A Prasad & Associates Chartered Accountants

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

		As at March 31, 2020	As at March 31, 2019
8	**Share capital**		
A	**Authorised**		
	10,000,000 Equity Shares of Rs 10/- each	100,000.00	100,000.00
		100,000.00	100,000.00
B	**Issued, Subscribed and paid up**		
	6,001,000 Equity Shares of Rs 10/- each,	60,010.00	60,010.00
		60,010.00	**60,010.00**

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	6,001,000	60,010.00	-	-
Shares issued during the year	-	-	6,001,000	60,010.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**6,001,000**	**60,010.00**	**6,001,000**	**60,010.00**

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%	6,000,999	99.96	6,000,999

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.

		As at March 31, 2020	As at March 31, 2019
9	**Reserves and surplus**		
	Surplus-As per profit and loss account		
	Opening balance	(212.85)	-
	Add: Additions/(deletions) during the year	(1,589.23)	(212.85)
	Closing balance	(1,802.08)	**(212.85)**

		As at March 31, 2020	As at March 31, 2019
10	**Trade Payables**		
	Due to micro and small enterprises	-	-
	Due to others	103,610.81	-
		103,610.81	-

		As at March 31, 2020	As at March 31, 2019
11	**Other financial liabilities**		
	Payable to related party	64,046.89	96,771.92
	Payable to others	621,364.56	64,765.72
		685,411.45	**161,537.64**

		As at March 31, 2020	As at March 31, 2019
12	**Other current liabilities**		
	Advance from customer	29,263.67	-
	Stautory dues	32.57	7.00
		29,296.24	**7.00**

A Prasad & Associates Chartered Accountants

Ridgecraft Homes Private Limited
Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR thousands)

		For the year ended March 31, 2020	For the year ended March 31, 2019
13	**Other Income**		
	Interest Income	75.66	-
		75.66	**-**

		For the year ended March 31, 2020	For the year ended March 31, 2019
14	**Other Expenses**		
	Audit Fees	50.00	4.72
	Bank Charges	13.46	10.28
	Legal & Professional expenses	682.48	-
	Preliminary expenses written off	753.82	188.46
	Rates, Duties & Taxes	14.00	9.40
	Misc expenses	151.13	-
		1,664.89	**212.85**

		For the year ended March 31, 2020	For the year ended March 31, 2019
15	**Earnings Per Share**		
	Net profit attributable to equity shareholders		
	Profit/(Loss) after tax	(1,589)	(213)
	Nominal value of equity share (in Rs)	10	10
	Weighted average number of equity shares (in Nos)	6,001,000	6,001,000
	Basic and Diluted (loss)/earning per share (in Rs.)	**(0.26)**	**(0.04)**

(This space is intentionally left blank)

A Prasad & Associates Chartered Accountants

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

16 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.

(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.

17 Financial risk management

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL*	FVOCI^	Amortised cost	FVTPL*	FVOCI^	Amortised cost
Financial assets						
Investments	-	-	500,000.00	-	-	-
Cash and equivalents	-	-	146.20	-	-	162.75
Other financial Assets	-	-	68.09	-	-	-
Total	-	-	**500,214.29**	-	-	**162.75**
Financial liabilities						
Trade Payables	-	-	103,610.81	-	-	-
Other financial liabilites	-	-	685,411.45	-	-	161,537.64
Total	-	-	**789,022.25**	-	-	**161,537.64**

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

^FVOCI stands for "Fair value through other comprehensive income"

ii) Risk Management

The Company's activities expose it to liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company'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.

a) Credit risk management

The Company 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 2020	31 March 2019
A: Low credit risk	Cash and cash equivalents, investments, and other financial assets	500,214.29	162.75
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 Company 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.

A Prasad & Associates Chartered Accountants

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

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 Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company'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 Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

As at March 31, 2020	Less than 1 year	1-5 year	More than 5 years	Total
Trade Payables	103,610.81	-	-	103,610.81
Other fianncial liabilities	685,411.45	-	-	685,411.45
Total	**789,022.25**	-	-	**789,022.25**

As at March 31, 2019	Less than 1 year	1-5 year	More than 5 years	Total
Trade Payables	-	-	-	-
Other fianncial liabilities	161,537.64	-	-	161,537.64
Total	**161,537.64**	-	-	**161,537.64**

18 Capital management

(a) Risk management

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

The Company' s capital management objectives are:

• to ensure the Company'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 Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company 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, 2020	As at March 31, 2019
Trade payable	103,610.81	-
Other financial liabilities	685,411.45	161,537.64
Less: cash and cash equivalents inlcuding other bank balances	(146.20)	(162.75)
Net debt	**788,876.05**	**161,374.89**
Equity	58,207.92	59,797.15
Capital and net debt	**847,083.97**	**221,172.04**

Ridgecraft Homes Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

19. **Related party disclosures**

A. Individual owning, directly or indirectly, an interest in the voting power of the reporting enterprise:

Anjali Chawla

B. Companies in Individual or their relatives have significant influence or control (with whom there are transactions/balances)

i) BPTP Limited
ii) Bright Star Builders Private Limited
iii) Ester Builders Private Limited
iv) Vivek Promoters Private Limited

Amount in thousands

Transactions during the year	March 31, 2020	March 31, 2019
BPTP Limited		
Amount paid against Purchase of land	-	211,992.00
Amount paid on behalf	-	400.00
Expenses paid/incurred by on our behalf	393.81	-
Bright Star Builders Private Limited		
Amount received	63,700.00	211,992.00
Vivek Promoters Private Limited		
Amount paid	47,221.45	7,018.01
Ester Builders Private Limited		
Amount received	-	90,000.00
Amount Paid	90,000.00	-
Balances at the end of year		
Bright Star Builders Private Limited		
Amount Payable	63,700.00	-
Ester Builders Private Limited		
Amount Payable	-	90,000.00
Vivek Promoters Private Limited		
Amount Payable	346.89	6,771.92

20. 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 Company. This has been relied upon by the auditors.

21. The Company is engaged in the business of colonisation and real estate development, which as per Accounting Standard 17 on 'Segment Reporting' of Companies (Accounting Standards) Rules 2006, is recognised to be the only reportable business segment. The Company is operating in India, which is considered a single geographical segment.

22. Current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provision for all known liabilities has been made in the accounts.

A Prasad & Associates
Chartered Accountants

Ridgecraft Homes Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

23. **Payment to auditors**

Amount in thousands

Particulars	March 31, 2020	March 31, 2019
Audit fee (excluding GST)	50.00	4.00

24. The office of the Company Secretary has been vacant. The Company is in process of appointing a full time Company Secretary.

25. **First time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS balance sheet is not required as company was incorporated on April 27, 2018.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. Since there is no adjustment from previous GAAP to Ind AS, no reconcilitaion provided.

26. The outbreak of SARS-CoV-2 virus ('Covid-19') has severely impact businesses around the world. In many countries, including India, there has been severe disruption of regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The management has made a detailed assessment of its liquidity position, including recoverability/carrying values of its trade receivables, inventories, property, plant and equipment, investment property, other advances, investments etc. as at balance sheet date. Since then, the operations have been gradually resuming in line with the Government of India directives issued in this regard. However, the actual impact of Covid-19 pandemic on the company's results remains uncertain and dependent on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.

27. The figures of the previous year have been regrouped/recast wherever necessary in order to do the comparison.

For A Prasad & Associates
Chartered Accountants
FRN No. 004250C

A Prasad & Associates Charted Accountants

Aayush Tibrewal
Partner
Membership No. 540098

For and on behalf of the Board of Directors

Amit Kumar Singhal
Director
(DIN : 06439649)

Rahul Dhaiya
Director
(DIN : 06554074)

Place : New Delhi
Date : 19-Nov-20