



Chandra sekaran M S & Co
Chartered Accountants (FRN 015048S)
Proprietor :
M.S.Chandrasekar, B.Com.F.C.A
Membership No.020333



H 44/4 HIG Flats, Appu Colony
West Avenue, Thiruvanmiyur
Chennai-600041.
E-mail : sesasore@hotmail.com
Mobile : 9841021996 / 9789801549

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF ESCAPADE REAL ESTATE PRIVATE LIMITED,
Report on Audit of the Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **ESCAPADE REAL ESTATE PRIVATE LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, Statement of Changes in Equity and a summary of significant accounting policies and other explanatory information. The company has no branches.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Profit and total Comprehensive Income, its cash flows Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. 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 Companies Act 2013 and the Rules there under, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the Board Report and we do not express any

160



form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is no material misstatement in this Board Report. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

16/1



responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

Materiality is the magnitude of misstatements in the standalone 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's 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:
- a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- e. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

165



- h. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.

For Chandrasekaran M S & CO.,,
Chartered Accountants
Firm Registration Number: 015048S

16.17

Place: Chennai
Date: 30/05/2023

M.S. Chandrasekar
Proprietor
Membership No. 020333
UDIN : 23020333BGUXSK1834



Annexure A" to the Independent Auditors' Report

Report as required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (Refer to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report the following:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company is not having any intangible assets; Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.
 - (b) In our opinion Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification during the year.
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such verification.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, During the year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause 3(iii) of the said Order are not applicable to the company.

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- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. In our opinion and according to the information and explanations to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

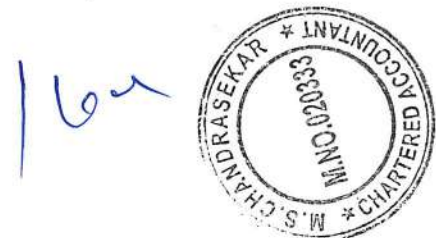
Name of the statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	22,870	2009-2010	CIT (APPEALS)

160



Income Tax Act, 1961	Income Tax	14,51,290	2011-2012	CIT (APPEALS-6)
Income Tax Act, 1961	Income Tax	6,10,500	2012-2013	CIT (APPEALS-2)
Income Tax Act, 1961	Income Tax	54,46,390	2016-2017	143(1)
Income Tax Act, 1961	Income Tax	39,40,111	2017-2018	CIT (APPEALS-6)
Income Tax Act, 1961	Income Tax	13,56,670	2018-2019	CPC
Income Tax Act, 1961	Income Tax	69,05,690	2019-2020	143(1) CIT (APPEAL)

- viii. In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender; hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans are obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.



- (c) As auditor, we did not receive any whistle-blower complaint during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appointed any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. There is not liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

**For Chandrasekaran M S & CO.,
Chartered Accountants
Firm Registration Number: 015048S**

M.S.

**M.S. Chandrasekar
Proprietor
Membership No. 020333
UDIN : 23020333BGUXSK1834**

**Place: Chennai
Date: 30/05/2023**



"Annexure B" to the Independent Auditors' Report

(Referred to in paragraph 1(i) under 'Report on Other Legal & Regulatory Requirement' of our report to the Member of (Escapade Real Estate Private Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **ESCAPADE REAL ESTATE PRIVATE LIMITED ("the Company")** as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Chandrasekaran M S & CO.,
Chartered Accountants
Firm Registration Number: 015048S**



**M.S. Chandrasekar
Proprietor
Membership No. 020333
UDIN : 23020333BGUXSK1834**

**Place: Chennai
Date: 30/05/2023**



Financial statements and Independent auditors' report

Escapade Real Estate Private Limited

31 Mar 2023

Escapade Real Estate Private Limited

Balance sheet as at 31 March 2023

(All amounts are in Indian Rupees Lakhs(₹), unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non- current assets			
Property, plant and equipment	4	41.28	23.64
Financial assets			
(i) Investments	5(a)	2,380.00	2,380.00
(ii) Other financial assets	5(b)	80.00	310.00
Deferred tax assets (net)	6	36.33	32.28
		2,537.61	2,745.92
Current assets			
Inventories	7	236.60	313.50
Financial assets			
(i) Trade receivables	8(a)	26.97	32.40
(ii) Cash and cash equivalents	8(b)	112.37	61.45
(ii) Other financial assets	8(c)	1,200.00	1,200.00
Other current assets	9	4,355.68	3,356.26
		5,931.62	4,963.61
Total Assets		8,469.22	7,709.54
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	165.00	165.00
Other equity	11	2,444.99	1,821.49
		2,609.99	1,986.49
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	12	910.85	1,130.41
Provisions	14	96.16	89.22
Other non-current liabilities	13	821.16	1,190.98
		1,828.17	2,410.61
Current liabilities			
Financial Liabilities			
(i) Trade payables	15		
- Total outstanding dues of micro enterprises and small ente		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		169.21	136.35
(ii) Other financial liabilities	16	701.62	152.62
Other current liabilities	17	2,944.74	2,972.11
Provisions	14	6.51	4.80
Current tax liabilities (net)	18	209.00	46.55
		4,031.07	3,312.43
Total		8,469.22	7,709.54

The accompanying notes form an integral part of the financial statements

This is the Balance sheet referred to in our report of even date

For Chandrasekaran MS & Co
Chartered Accountants
Firm's registration number:015048S

For and on behalf of Board of Directors of
Escapade Real Estate Private Limited

M.S.

Piyush Jagdish Bhatt

Om Prakash Madhav

M.S.Chandrasekar
Proprietor
Membership No: 020333

Piyush Jagdish Bhatt
Director
DIN: 01680762

Om Prakash Madhav
Director
DIN: 03616030

Place: Chennai
Date: 30/05/2023

Place: Chennai
Date: 30/05/2023

Place: Chennai
Date: 30/05/2023



Escapade Real Estate Private Limited
Statement of profit and loss for the year ended 31 March 2023
(All amounts are in Indian Rupees Lakhs (₹), unless otherwise stated)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	19	1,707.17	1,003.54
Other income	20	0.59	0.53
Total income		1,707.76	1,004.07
Expenses			
Cost of plots and construction/development sold	21	111.08	183.30
Employee benefits expense	22	245.98	415.18
Finance costs	23	118.86	91.52
Depreciation expense	4	14.09	10.56
Other expenses	24	363.15	219.90
Total expenses		853.17	920.46
Profit before tax		854.59	83.61
Tax expense			
- Current tax		(241.39)	(63.16)
- Deferred tax		6.05	39.06
		(235.34)	(24.09)
Profit for the year		619.24	59.52
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Re-measurement gains on defined benefit plans		6.25	54.95
- Income tax relating to items that will not be reclassified to profit or loss		(2.00)	(15.00)
		4.25	39.95
(b) Items that will be reclassified to profit or loss			
		-	-
Other comprehensive income for the year, net of tax		4.25	39.95
Total comprehensive income for the year		623.50	99.47
Earning per equity share			
Equity shares of par value ₹ 10 each	27		
Basic and diluted (in ₹)			
- on profit for the year		37.53	3.62
- on total comprehensive income for the year		37.53	3.62

The accompanying notes form an integral part of the financial statements

This is the Statement of profit and loss referred to in our report of even date

For Chandrasekaran MS & Co
Chartered Accountants
Firm's registration number:015048S

For and on behalf of Board of Directors of
Escapade Real Estate Private Limited

M.S.Chandrasekar
Proprietor
Membership No: 020333

Place: Chennai
Date: 30/05/2023



Piyush Jagdish Bhatt

Piyush Jagdish Bhatt
Director
DIN: 01680762

Place: Chennai
Date: 30/05/2023

Om Prakash Madhav

Om Prakash Madhav
Director
DIN: 03616030

Place: Chennai
Date: 30/05/2023

Escapade Real Estate Private Limited
Statement of cash flows 3for the year ended 31 March 2023
(All amounts are in Indian Rupees Lakhs(₹), unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flows from operating activities		
Profit before tax	854.59	83.61
Adjustments for:		
Depreciation expense	14.09	10.56
Interest expense	118.86	91.52
Interest income	(0.59)	(0.53)
Provision for employee benefits	14.90	141.45
Operating profit before working capital changes	1,001.85	326.61
(Increase) / Decrease in trade receivables	5.44	49.32
(Increase) / Decrease in other current assets	(999.42)	(1,538.85)
(Increase)/Decrease in inventories	76.91	110.15
Increase / (Decrease) in other financial liabilities	601.60	23.05
(Decrease) in trade payables	32.85	13.46
(Decrease) in other non-current liabilities	(369.82)	(416.60)
Increase / (Decrease) in other current liabilities	(27.38)	1,132.05
Cash generated from operations	322.02	(300.81)
Less: Income taxes paid, net	(78.94)	(100.35)
Net cash generated from operating activities	A 243.08	(401.16)
B. Cash flows from investing activities		
Proceeds from sale of current investments	-	-
Purchase of property, plant and equipment	(31.72)	(3.42)
Sale of property, plant and equipment	-	-
Increase/ (decrease) in other non-current financial assets and other non current assets	230.00	(310.00)
Interest received	0.59	0.53
Dividend Paid	-	-
Net cash generated from investing activities	B 198.87	(312.88)
C. Cash flows from financing activities		
Repayment of long-term borrowings	(267.72)	789.80
Interest paid	(123.31)	(85.25)
Net cash (used in) financing activities	C (391.03)	704.56
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	50.92	(9.49)
E. Cash and cash equivalents at the beginning of the year	61.45	70.94
F. Cash and cash equivalents at the end of the year (D+E)	112.37	61.45
Cash and cash equivalents comprise of:		
Cash on hand	14.30	7.95
Balances with banks in current accounts	96.50	52.46
Other bank balances (fixed deposits with maturity upto 3 months)	1.57	1.04
Total Cash and cash equivalents (Refer note 9(b))	112.37	61.45

The accompanying notes form an integral part of the financial statements

This is the Statement of Cash flows referred to in our report of even date

For Chandrasekaran MS & Co
Chartered Accountants
Firm's registration number:015048S

M.S.Chandrasekar
Proprietor
Membership No: 020333

Place: Chennai
Date: 30/05/2023



For and on behalf of Board of Directors of
Escapade Real Estate Private Limited

Piyush Jagdish Bhatt

Piyush Jagdish Bhatt
Director
DIN: 01680762

Place: Chennai
Date: 30/05/2023

Om Prakash Madhav

Om Prakash Madhav
Director
DIN: 03616030

Place: Chennai
Date: 30/05/2023

Escapade Real Estate Private Limited
Statement of changes in equity for the year ended 31 March 2023
(All amounts are in Indian Rupees Lakhs (₹), unless otherwise stated)

Particulars	Other equity				Total equity
	Equity share capital Note 11(a)	Surplus Note 11(b)	Securities premium Note 11(b)	Accumulated other comprehensive income Note 11(b)	
Balance as at 1 April 2021	165.00	1,542.17	174.00	5.85	1,887.02
Profit for the year ended 31 March 2022	-	59.81	-	-	59.81
Other Comprehensive income for the year ended 31 March 2022	-	-	-	39.66	39.66
Total Comprehensive income for the year	-	59.81	-	39.66	99.47
Less : Dividend Paid	-	-	-	-	(9,75,00,000.00)
Balance as at 31 March 2022	165.00	1,601.97	174.00	45.52	1,986.49
Profit for the year ended 31 March 2023	-	619.24	-	4.25	619.24
Other Comprehensive income for the year ended 31 March 2023	-	619.24	-	4.25	4.25
Total Comprehensive income for the year	-	619.24	-	4.25	623.50
Balance as at 31 March 2023	165.00	2,221.22	174.00	49.77	2,609.99

The accompanying notes form an integral part of the financial statements
This is the Statement of changes in equity referred to in our report of even date

For Chandrasekaran MS & Co
Chartered Accountants
Firm's registration number:015048S

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M.S.Chandrasekar
Proprietor
Membership No: 020333
Place: Chennai
Date: 30/05/2023



For and on behalf of Board of Directors of
Escapade Real Estate Private Limited

Piyush Jagdish Bhatt

Piyush Jagdish Bhatt
Director
DIN: 01680762
Place: Chennai
Date: 30/05/2023

Om Prakash Madhav

Om Prakash Madhav
Director
DIN: 03616030
Place: Chennai
Date: 30/05/2023

1 Corporate information

Escapade Real Estate Private Limited ("ERPL" or "the Company") was incorporated on 03 February 2007 as a private limited company. The company is a 100% subsidiary of Arihant Foundations & Housing Ltd. During the year Varenva Constructions Ltd has acquired the entire stake in the company from Arihant Foundations and Housing Ltd, as a result, the company is now a 100% subsidiary of Varenva Constructions Ltd

It is engaged in the business of development of housing properties, sale of plots and construction of villas/ apartments/ residential complex. The registered office of the Company is situated at No 3, Ganapathy Colony, 3rd street Off Cenotoph Road, Teynampet, Chennai, Tamil Nadu 600018.

2 General information and statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements have been prepared in accordance with Ind AS per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2016 (the "Act") and other relevant provisions of the Act under the historical cost convention on the accrual basis.

The financial statements as at and for the year ended 31 March 2022 are approved and authorized for issue by the board of directors on 30/05/2022

Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the current year classification.

3 Summary of accounting policies**3.1 Overall considerations**

These financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the financial statements, except where the Company had applied certain accounting policies and exemptions upon transition to Ind AS.

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3.2 Foreign currency translation**Functional and presentation currency**

The financial statements are presented in of Indian Rupees (₹), which is also the functional currency of the Company.

Foreign currency transactions and balances

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on actual payments/realizations and year-end restatements are recognized in the Statement of profit and loss.

Non monetary items are not re-translated at year end and are measured at historical cost (translated using the exchange rate at transaction date).

3.3 Revenue recognition**3.3.1 Revenue from sale of constructed properties, plots and plot development rights:**

Under Ind AS 115, a standardized five-step model applies to assessing the amount of revenue to be recognized as follows:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue from sale of constructed properties, plots and plot development rights are recognized upon registration of the property which indicates completion of performance obligation by the Company. Based on the assessment undertaken by the Company, the performance obligation is satisfied at a point in time, which is, the date of registration.

3.3.2 Revenue from property under construction:

Revenue from projects under development comprises the amounts of sale price as per the agreements entered with the buyer. Revenue is recognized based on the percentage of completion method as the Company has obligations to perform substantial acts even after the transfer of all significant risks and rewards of ownership. Such percentage is arrived based on estimates of management.

Where the ultimate collection and the buyer's commitment to make the complete payment is not reasonably certain, the revenue is deferred until such certainty is established.

3.3.3 Interest Income:

Interest is recognized using the time-proportion basis taking into account the amount outstanding and the applicable interest rate.



3.4 Inventories

Inventories comprises cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Cost includes direct and indirect expenditure relating to construction activity. The expenditure incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Statement of profit and loss.

3.5 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost comprises of the purchase price including any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on property, plant and equipment, other than buildings, is provided on prorata basis using the written down value method over the estimated useful lives of the assets as specified in Schedule II to the Act. Depreciation on project buildings is provided on prorata basis using straight line basis over the estimated time for completion of the project i.e. 8 year.

Assets category	Useful life prescribed under Schedule II	Useful life followed by the Company (years)
Project building	30	8
Computers	3	3
Office equipment	5	5
Furniture and fixtures	10	10
Vehicles	10	8

3.6 Impairment testing of property, plant and equipment

An assessment is undertaken at each Balance sheet date as to whether there is any indicator that an asset may be impaired. If any such indication exists, an estimate of recoverable amount of such assets is made and impairment losses, if any is recognized, when the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use of the assets. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of profit and loss, except in case of revalued assets.

3.7 Income taxes

Tax expense recognized in Statement of profit and loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax is measured at the amount expected to be paid to the taxation authorities based on tax rates in accordance with the prevailing tax laws for the reporting period. Deferred taxes are calculated based on tax rates in accordance with tax laws that have been enacted or substantively enacted using the Balance Sheet approach on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognized in other comprehensive income are disclosed under the same. A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

In computing current taxes the Company takes into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. In cases wherever the tax liability computed as per above is less than the Minimum Alternate Tax, the Company is liable to pay the Minimum Alternate Tax (MAT), in accordance with Section 115JB of the Income Tax Act, 1961. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

3.8 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, if any.

3.9 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are generally presented as current liabilities unless payment is not done within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method.



3.10 Financial assets and financial liabilities**Classification of financial asset, subsequent measurement and derecognition:**

Financial assets of the Company primarily comprise of loans and receivable measured at amortized cost. At initial recognition these financial assets are measured at its fair value and subsequently measured at amortized cost using the effective interest method. A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Classification of financial liabilities, subsequent measurement and derecognition:

Financial liabilities of the Company primarily comprise of trade payable, retention payable and other payables measured at amortized cost. At initial recognition these financial liabilities are measured at its fair value and subsequently measured at amortized cost using the effective interest method. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.11 Employee benefits**(A) Defined Contribution Plan**

Under the defined contribution plan, the Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, in the period that related employee services are received.

Provident fund

The Company's contribution to provident fund is considered as a defined contribution plan and is charged as an expense as it falls due based on the amount of contribution required to be made in accordance with relevant rules.

(B) Defined benefit plan

Under the Company's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company.

(i) Gratuity

The liability recognized in the Balance Sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date. The defined benefit obligation is determined at the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

(ii) Leave salary - Compensated Absences

The Company also extends defined benefit plans in the form of Compensated absences to employees. Provision for Compensated absences is made on actuarial valuation basis.

3.12 Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision, if any.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities where the outflow of resources is remote.

The Company does not recognize any assets of contingent nature unless the realization of the income is virtually certain. However these are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

3.13 Earnings per share

Basic earnings per share is calculated by dividing the total comprehensive income/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the total comprehensive income/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.14 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents include cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 90 days or less, as applicable.



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3.15 Leases (as a lessee)

Leases where the lessor effectively retains, substantially, all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

3.16 Segment information

In accordance with Indian Accounting Standard 108 "Operating Segments" prescribed by Companies (Accounting Standards) Rules, 2015, the Company has determined its primary business segment as a single segment of Real Estate Business. Since there are no other business segments in which the company operates, there are no other primary reportable segments. Therefore, the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statements. The Company operates in one geographical segment and earns significant revenue from one customer.

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Escapade Real Estate Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts are in Indian Rupees Lakhs (₹), unless otherwise stated)

4 Property, plant and equipment

Particulars	Project building	Computers	Office equipments	Furniture and fixtures	Vehicles	Total
Gross block						
Balance as at 31 March 2021	2.92	0.30	1.13	0.19	53.44	57.98
Additions	-	3.05	0.36	-	-	3.42
Disposals	-	-	-	-	-	-
Balance as at 31 March 2022	2.92	3.35	1.49	0.19	53.44	61.39
Additions	4.52	0.70	7.10	19.40	-	31.72
Disposals	-	-	-	-	-	-
Balance as at 31 March 2022	7.44	4.05	8.59	19.59	53.44	93.12
Accumulated depreciation						
Balance as at 1 April 2020	2.92	0.30	1.00	0.19	15.16	19.57
Depreciation for the year	-	-	0.05	-	7.57	7.63
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31 March 2022	2.92	0.30	1.05	0.19	22.73	27.19
Depreciation for the year	-	1.05	0.19	-	9.32	10.56
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31 March 2022	2.92	1.35	1.24	0.19	32.05	37.75
Depreciation for the year	0.16	1.60	3.44	2.48	6.41	14.09
Balance as at 31 March 2023	3.08	2.95	4.69	2.67	38.46	51.84
As at 31 March 2021	-	-	0.07	-	30.71	30.78
As at 31 March 2022	-	2.00	0.25	-	21.39	23.64
As at 31 March 2022	4.36	1.11	3.90	16.92	14.98	41.28

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	As at 31 March 2023	As at 31 March 2022
5 Financial assets (non-current)		
5(a) Non-current investments (carried at cost)		
Trade investments: unquoted		
Investment in preference shares	2,380.00	2,380.00
23,800,000 0.05% compulsorily convertible preference shares of Arihant Unitech Realty Projects Limited of ₹ 10 each. (Also, refer note below)		
	<u>2,380.00</u>	<u>2,380.00</u>
Aggregate amount of unquoted non-current investments	2,380.00	2,380.00
Note: The Company has invested in 23,800,000 0.05% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each at par aggregating to ₹ 238,000,000 in Arihant Unitech Realty Projects Limited (AURPL) during May 2007. The preference shares are convertible within 20 years from the date of issue. In view of the adequacy of the valuation of the underlying project land and other realizable assets of AURPL, the Company believes that there is no diminution in the value of its investment in AURPL and accordingly, no impairment has been considered.		
5(b) Other financial assets		
<i>(Unsecured and considered good)</i>		
Interest-free inter-corporate deposits to related party (Also, refer note below and note 27(c))	1,200.00	1,200.00
Less: Current maturities of loans to related parties (Also, refer note 9(c))	(1,200.00)	(1,200.00)
Others Advances	80.00	310.00
	<u>80.00</u>	<u>310.00</u>
Note: The Company in earlier years, had advanced an unsecured interest free corporate deposit (ICD) amounting to ₹ 220,000,000 to Arihant Foundations and Housing Limited ('AFHL'), the holding Company, for meeting certain general corporate expenditure. As per the said agreement, AFHL is required to repay the said ICD on or before 31 March 2020 but it was not paid in the current financial year		
6 Deferred tax assets (net)		
Deferred tax asset:		
Difference between carrying value and tax base of Property, plant and equipment	8.01	6.37
Provision for employee benefits	28.32	25.92
	<u>36.33</u>	<u>32.28</u>
7 Inventories		
Properties under development	236.60	313.50
	<u>236.60</u>	<u>313.50</u>
8 Financial assets (current)		
9(a) Trade receivables		
<i>Unsecured</i>		
- Considered good	26.97	32.40
	<u>26.97</u>	<u>32.40</u>
9(b) Cash and cash equivalents		
Cash on hand	14.30	7.95
Balances with banks in current accounts	96.50	52.46
Other bank balances (fixed deposits with maturity upto 3 months)	1.57	1.04
	<u>112.37</u>	<u>61.45</u>
9(c) Other financial asset		
Current maturities of loans to related parties	1,200.00	1,200.00
	<u>1,200.00</u>	<u>1,200.00</u>
9 Other current assets		
Balance with government authorities	13.20	3.70
Advances for supplies-related parties (Also, refer note 27(c))	4,250.84	3,291.21
Advances to suppliers	64.89	42.72
Prepaid expense	1.44	5.25
Advances to employees	2.04	2.49
Other advances	0.71	0.67
TDS Recoverable (Against Loans)	22.55	10.22
	<u>4,355.68</u>	<u>3,356.26</u>



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	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
10 Equity				
Equity Share capital				
Authorized				
Equity shares of ₹10 each (Comprising of 1,000,000 Class A Shares, 2,000,000 Class B shares and 2,000,000 Class C shares)	50	500.00	50	500.00
	50	500.00	50	500.00
Issued, subscribed and fully paid-up				
Class A equity shares of ₹ 10 each	2	20.00	2	20.00
Class B equity shares of ₹ 10 each	5	45.00	5	45.00
Class C equity shares of ₹ 10 each	10	100.00	10	100.00
	17	165.00	17	165.00

i) Reconciliation of number of equity shares outstanding

There has been no movement in equity shares during the current and previous year.

ii) Shares held by Holding Company

Arihant Foundations and Housing Limited, Class A & C shares

Equity Shares of ₹ 10 each, fully paid up

Class A shares

Class B shares

Class C shares

	-			-
	-			-
	-			-
	-			-
	-			-

	Number	% of holding	Number	% of holding
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iii) Shareholders holding more than 5% of each class of shares of the company

Class A equity shares

Varenya Constructions Ltd

	2	100%	2	100%
	2	100%	2	100%

Class B equity shares

Varenya Constructions Ltd

	5	100%	5	100%
	5	100%	5	100%

Class C equity shares

Varenya Constructions Ltd

	10	100%	10	100%
	10	100%	10	100%

iv) Rights, preferences and restrictions attached to each class of the equity shares

Class A, Class B and Class C equity shares

Each of Class A, Class B and Class C shareholders are entitled to cast one vote per share held by them in a shareholders meeting of the Company. All equity shareholders are entitled to distribution rights as per ownership of Class A shares and as specified under the Shareholders agreement. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. In the event the Company merges or amalgamates with any other Company, the equity shareholders shall be issued similar instruments in the surviving Company on the same terms and conditions, at a price which shall be adjusted to reflect the merger/amalgamation exchange ratio.

v) Bonus Issue and buyback of shares

During the immediately preceding period of five years there were no shares allotted pursuant to any contract without payment being received in cash, no shares allotted as fully paid up by way of bonus shares and no shares bought back by the Company.

vi) Capital Management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.



	As at 31 March 2023	As at 31 March 2022
11 Other equity		
i) Securities premium	1,149.00	1,149.00
- Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.		
ii) Surplus		
Balance at the beginning of the year	1,641.76	1,542.28
Add: Transfer from statement of profit and loss	623.50	99.47
Balance at the end of the year	2,265.25	1,641.76
- Surplus in the statement of profit and loss comprise of prior year's undistributed earnings after tax.		
iii) Accumulated other comprehensive income		
Balance at the beginning of the year	5.73	5.73
Add: Transfer from Statement of profit and loss	-	-
Balance at the end of the year	5.73	5.73
Less : Dividend Paid	975.00	975.00
Total: Other equity	2,444.99	1,821.49
12 Long-term borrowings		
Term Loans		
Secured		
- From Financial Institution	971.00	1,238.72
Less: Current maturities of long-term borrowings	(60.15)	(108.31)
	910.85	1,130.41
13.1 The term loan obtained from Hinduja leyland Finance Limited (project loan) (outstanding balance: ₹ 4,41,67,038) is repayable in 120 Equal monthly instalments of principal beginning from 8th December 2020 and carrying an effective average interest rate of 13.00%. In addition to the repayment schedule, the Company has an option to transfer certain percentage towards onward adjustment against outstanding facility amount. The project loan is secured by way of exclusive charge by way of equitable mortgage of the project property, charge by way of hypothecation of receivables from the project, by way of personal guarantee of Mr. Kamal Lunawath and Mr. Vimal Lunawath, Directors and also by way of Corporate Guarantee of Arihant Foundation & Housing Ltd (the Holding Company). The loan has given to AFHL Interest free.		
13.2 The vehicle loan from Kotak Mahindra Prime Ltd (outstanding balance ₹ 7,24,938 ; previous year: ₹ 13,39,516) is repayable in 60 months, bearing an interest rate of 8.16% per annum.		
13.3 The term loan obtained from Hinduja leyland Finance Limited (project loan) (outstanding balance: ₹ 99,55,23,79) is repayable in 120 Equal monthly instalments of principal beginning from 5th January 2022 and carrying an effective average interest rate of 13.00%. In addition to the repayment schedule, the Company has an option to transfer certain percentage towards onward adjustment against outstanding facility amount. The project loan is secured by way of exclusive charge by way of equitable mortgage of the project property, charge by way of hypothecation of receivables from the project, by way of personal guarantee of Mr. Kamal Lunawath and Mr. Vimal Lunawath, Directors and also by way of Corporate Guarantee of Arihant Foundation & Housing Ltd (the Holding Company). The loan has given to AFHL Interest free.		
13 Other non-current liabilities		
Security deposit - Ashiana Housing Limited	821.16	1,190.98
	821.16	1,190.98

The Company had entered into a Joint Development Agreement (JDA 1) dated 3 December 2014 with Ashiana Housing Limited ('AHL') for construction and development of housing establishments for senior citizens and/or regular housing in accordance with applicable laws and approved building plans within a period of five year. In accordance with the above JDA 1, the Company has granted developmental rights to AHL and has accepted interest free, adjustable deposits amounting to ₹ 250,000,000 from AHL upon execution of the JDA 1 agreement. As per JDA 1, the Company will get a specified percentage of gross revenue receipts, earned by AHL as its revenue share. A portion of Company's revenue share will be adjusted against the security deposit.

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14 Provisions	As at 31 March 2023		As at 31 March 2022	
	Non-Current	Current	Non-Current	Current
Provision for employee benefits				
- Gratuity (Also, refer Note 'a' below)	96.16	5.65	89.22	3.94
- Compensated absences	-	0.86	-	0.86
	96.16	6.51	89.22	4.80

a) Gratuity

In accordance with applicable laws, the Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date. The Company doesn't maintain any plan assets to fund its obligation with respect to gratuity.

	As at 31 March 2023	As at 31 March 2022
i) Change in present value of defined benefit obligations		
Present value of obligations at the beginning of the year	93.16	6.66
Current Service cost	7.95	7.75
Prior Service Cost	-	-
Interest cost	6.95	0.45
Benefits paid	-	-
Acquisitions/Divestures/Transfer in	-	133.25
Actuarial (gain)/loss	(6.25)	(54.95)
Present value of obligations at the end of the year	101.81	93.16
ii) Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	101.81	93.16
Fair value of plan assets at the end of the year	-	-
Liability recognized in the Balance Sheet	101.81	93.16
Classified as:		
Non-current	96.16	89.22
Current	5.65	3.94
iii) Amount Recognized in Other comprehensive income		
Net actuarial (gain) on remeasurement	(6.25)	(54.95)
Net gratuity (Income) recognized as Other comprehensive Income	(6.25)	(54.95)
iv) assumptions used:		
Discount rate	6.85%	6.85%
Salary growth	10.00%	10.00%
Attrition rate	10.00%	10.00%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

v) Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the salary growth rate. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarizes the effects of changes in these actuarial assumptions on the defined benefit liability as at 31 March 2021 and 31 March 2020.

	Attrition Rate		Discount Rate		Salary Growth	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2023						
> Sensitivity Level	-1.40%	1.57%	-7.49%	8.67%	6.23%	-6.34%
> Defined Benefit Obligation	100.39	103.41	94.19	110.64	108.16	95.35
31 March 2022						
> Sensitivity Level	-1.39%	1.55%	-7.43%	8.58%	6.27%	-6.26%
> Defined Benefit Obligation	91.87	94.61	86.24	101.16	99.00	87.33



	As at 31 March 2023	As at 31 March 2022
15 Trade payables		
- Total outstanding dues to micro enterprises and small enterprises (Also, refer note below)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	169.21	136.35
	<u>169.21</u>	<u>136.35</u>
Note: The Company does not have any dues payable to any suppliers registered as micro or small enterprise under Micro, Small & Medium Enterprises Development (MSMED) Act, 2006. The above disclosure has been determined to the extent such parties have been identified by the management on the basis of information available with the Company.		
16 Other financial liabilities		
Current maturities of long-term borrowings	60.15	108.31
Unsecured Loan	500.00	-
Interest accrued but not due on long-term and short-term borrowings	6.33	10.78
Statutory dues payable	50.92	9.47
Employee dues payables	84.21	24.06
	<u>701.62</u>	<u>152.62</u>
17 Other current liabilities		
Advance from customers	2,944.74	2,972.11
	<u>2,944.74</u>	<u>2,972.11</u>
18 Current tax liabilities (net)		
Provision for taxation (net of advance tax)	209.00	46.55
	<u>209.00</u>	<u>46.55</u>

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Escapade Real Estate Private Limited

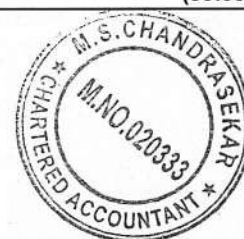
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in Indian Rupees Lakhs(₹), unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
19 Revenue from operations		
Revenue - sale of constructed properties	51.91	215.46
Revenue from sale of plots and plot development rights	1,524.16	772.85
Other operating revenues	131.10	15.23
	1,707.17	1,003.54
20 Other Income		
Interest on deposits with banks	0.59	0.53
Interest on deposit to related party	-	-
	0.59	0.53
21 Cost of plots and construction/development sold		
Cost of constructed properties	31.71	153.95
Cost of plots and plot development right	79.37	29.35
	111.08	183.30
22 Employee benefits expense		
Salaries and wages	226.21	263.44
Gratuity expense	15.63	143.26
Contribution to provident and other funds	4.14	8.48
	245.98	415.18
23 Finance costs		
Interest on borrowings	118.86	91.52
Amortization of interest cost on inter-corporate deposits to relate	-	-
	118.86	91.52
24 Other expenses		
Legal and professional charges	47.27	54.20
Hospitality	0.35	0.29
Marketing expenses	133.48	35.08
Repairs and maintenance - others	62.99	54.05
Advertisement expenses	65.54	41.64
Payment to auditors (Also, refer note 29)	0.00	0.42
Advances written off	-	0.59
Insurance	3.24	2.97
Bank charges	0.61	0.53
Miscellaneous expenses	49.67	29.12
Donation	-	1.01
	363.15	219.90
25 Tax Reconciliation		
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 27.82% and the reported tax expense in profit or loss are as under:		
Accounting profit	855	84
Tax at the domestic rate of 27.82% / (previous year 27.82%)	(238)	(23.26)
Impact of not recognised MAT Credit entitlement	-	-
Tax effect of expenses that are not deductible for tax purposes	-	-
Tax expense	(237.75)	(23.26)
Current tax expense	(241.39)	(63.16)
Deferred tax income/(expense)	4.05	24.06
Income Tax Expense	(237.34)	(39.09)

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26 Related party disclosures

(a) Names of related parties:*

Nature of relationship	Name of related party
a) Where control exists	
Holding Company	Varenya Constructions Ltd
Control by Ownership (directly or indirectly) more than 50% of Voting power of an enterprise	Arihant Foundations and Housing Limited (AFHL)
b) Key Management personnel	
	Piyush Jagdish Bhatt
	Omprakash Madhav
c) Other related parties with whom transactions have taken place during the year	

*(Related parties as identified by the management)

(b) Transactions during the year :

Name of the party	Nature	Year Ended 31 March 2023	Year Ended 31 March 2022
Arihant Foundations and Housing Limited	Reimbursement of expenses	118.75	12.64
	Advance given	1,342.41	2,142.20
	Advance received back	381.19	622.55

(c) Balance as at the year-end:

Name of the party	Nature	As at 31 March 2023	As at 31 March 2022
Arihant Foundations & Housing Limited	Amounts receivables		
	Inter corporate deposit given	1,200.00	1,200.00
	Advances for supplies	4,250.84	3,291.21

	Year ended 31 March 2023	Year ended 31 March 2022
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27 Earnings per equity share

Basic and diluted earnings per share (₹)

- on profit for the year	37.53	3.62
- on total comprehensive income for the year	37.53	3.62

The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows:

(a) Earning used in the calculation of basic and diluted earnings per share:

- Profit for the year	619	60
- Total comprehensive income	623	99

(b) Weighted average number of equity shares outstanding during the year

(Nominal value of equity shares - ₹ 10)	17	17
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28 Payment to Auditors (Excluding tax and out of pocket expenses)

Fees for statutory audit	0.50	0.42
	<u>0.50</u>	<u>0.42</u>

29 Unhedged foreign currency exposures

The Company does not have any exposure on account of transactions in foreign currency.



Escapade Real Estate Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in Indian Rupees Lakhs(₹), unless otherwise stated)

	Year Ended 31 March 2023	Year Ended 31 March 2022	
30 Contribution towards Corporate Social Responsibility			
(a) (i) Gross amount required to be spent by the Company	-	-	
(ii) Amount spent during the year (Also, refer note 31(b))	-	-	
(iii) Amount unspent during the year	-	-	
(b) Amount spent during the financial year ended 31 March 2020 on:			
Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than as specified above	-	-	-
	As at 31 March 2023	As at 31 March 2022	
31 Contingent Liabilities and commitment			
a) Contingent liabilities			
Relating to Income tax matters for- Assessment year 2008-09			
Relating to Income tax matters for- Assessment year 2009-10	0.23	0.23	
Relating to Income tax matters for- Assessment year 2011-12	14.51	14.51	
Relating to Income tax matters for- Assessment year 2012-13	6.11	6.11	
Relating to Income tax matters for- Assessment year 2016-17	54.46	54.46	
Relating to Income tax matters for- Assessment year 2017-18	39.40	39.40	
Relating to Income tax matters for- Assessment year 2018-19	13.57	13.57	
Relating to Income tax matters for- Assessment year 2019-20	69.06	69.06	
	197.34	197.34	

b) There were no contracts remaining to be executed on capital account and not provided for as at Balance Sheet date.

32 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and

The Company's principal Financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of directors reviews and agrees policies for managing each of these risks, which are summarized below:

a) Market Risk

The Company is not exposed to market risk (Currency risk, Interest rate risk & other price risk) through its use of Financial Instruments.

b) Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, deposits, etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at 31 March, as summarized below:

	As at 31 March 2023	As at 31 March 2022
Classes of financial asset		
Trade Receivables	26.97	32.40
Cash and cash equivalents	112.37	61.45
Other non-current financial assets	1,200.00	1,200.00
	1,339.34	1,293.85

In respect of trade receivables, the Company constantly evaluates the credit worthiness of the customers and thereby ensuring that there are no significant credit exposures. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents and fixed deposits are considered negligible, since the counterparties are reputable public sector banks with high quality external credit ratings.

Other non-current financial assets represents receivables from related parties, and hence, are not exposed to credit risk.

c) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring cash inflows and outflows due in day-to-day business. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within six months except for receivables from self developed properties which are governed by the relevant contract conditions.

14



Escapade Real Estate Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in Indian Rupees Lakhs(₹), unless otherwise stated)

As at 31 March 2022, the Company's non-derivative financial liabilities have contractual maturities as summarized below:

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Within 1 year	Greater than 1 year	Within 1 year	Greater than 1 year
Long term borrowing	60	911	108	1,130
Trade payables	169	-	136	-
Other financial liabilities	641	-	44	-
	871	911	289	1,130

The accompanying notes form an integral part of the financial statements

This is the summary of significant accounting policies and

For Chandrasekar MS & Co
Chartered Accountants
Firm's registration number:015048S

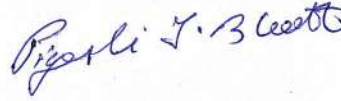


M.S.Chandrasekar
Proprietor
Membership No: 020333

Place: Chennai
Date: 30/05/2023

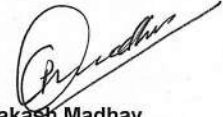


For and on behalf of Board of Directors of
Escapade Real Estate Private Limited



Piyush Jagdish Bhatt
Director
DIN: 01680762

Place: Chennai
Date: 30/05/2023



Om Prakash Madhav
Director
DIN: 03616030

Place: Chennai
Date: 30/05/2023